Bank Danamon

2006

Annual Report

Empowered

50th

Bank Danamon in 2006.

Our theme:

Empowered:
the state of being enabled, or given the strength to be more confident in taking control of your life and claiming your rights.

Our Vision:
“We care and enable millions to prosper.”

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Mission

Bank Danamon aims to be “The Leading Financial Institution in Indonesia” with a significant market presence.

A customer centric organisation covering all customer segments, each with a unique value proposition, centred on sales and service excellence, supported by world class technology.

We aspire to be an employer of choice and to be respected by our customers, employees, shareholders, regulators, and the community.

Values

Caring, Honesty, Passion to excel, Teamwork and Disciplined Professionalism

Performance

Key performance results for 2006:

Normalised NPAT grew 16% to Rp 1,389 billion.

Total loans grew 17% to Rp 42,986 billion.

Total deposits grew 23% to Rp 57,834 billion.

An additional 75 units were added to our SEMM business, bringing the total to 693 units.

In Global Finance’s World’s Best Bank Awards 2006, Bank Danamon won Best Bank in Indonesia.

For the third consecutive time, we were awarded the Best Trade Finance Bank by Global Finance.

People

We completed 67,017 man days of training during 2006.

For the second time we conducted the largest ever employee opinion survey in Indonesia, amassing the opinions of 11,720 employees, and exceeding, in every category tested, Indonesian norms.

Highlights 2006

22 February

Bank Danamon and American Express signed an agreement to transfer American Express card and merchant businesses in Indonesia
A conditional business transfer agreement was signed with American Express Bank Ltd., related to its card and service businesses in Indonesia.

15 May

The International Finance Corporation (IFC) provided Rp 1.3 trillion loan to Bank Danamon
This represented the largest local currency facility offered by IFC to a client and the largest single transaction to date in Indonesia. This funding will be oriented towards SME and mass market businesses.

22 May

Annual General Meeting of Shareholders (AGMS)
The AGMS approved, among others, the appointment of Ali Yong, Sanjiv Malhotra, Vera Eve Lim and Rene Eugene Burger as Directors.

19 June

Launch of Danamon Award 2006
A recognition to those who enable others: an award for individuals, small, medium and large scale businesses as well as non-profit organizations who nurture and translate the values of Bank Danamon.

18 July

50th Anniversary Celebrations
Activities with internal and external stakeholders, included:
- Employee Family Day
- Gala Dinner
- Golf Tournament
- Danamon Award
- Empowerment Seminar Series in 7 regions

9 August

Launch of "Danamon Menjemput Impian" promo
The programme included a Rp 1.5 billion Gasoline Giveaway and more than 10,000 prizes to customers, including holiday packages to any destination in the world.

18 September

Awarded "Best Bank in Indonesia" by Global Finance magazine in its World's Best Bank Awards 2006
Bank Danamon was recognised as the Best Bank in Indonesia by Global Finance magazine in 2006 - an award received for 3 consecutive years.

6 November

Hosted the "Empowerment to Accelerate Economic Development" seminar. Presented the Danamon Award to 6 recipients
Hernando De Soto, world-renowned economist and President of Peru's Institute for Liberty & Democracy (ILD), led discussions and presented the Danamon Award.

Everyday we are empowering ourselves...

...to care for and enable all our customers to prosper

DANAMON SIMPAN PINJAM
see page 28

SEMM & CMM

CONSUMER BANKING
see page 30

Credit Card
see page 32

Syariah Banking
see page 36

ADIRA FINANCE
see page 34

Mass market loans grew by 71% in 2006 to Rp 6,227 billion.

Bank Danamon credit card operations grew 40% in 2006, as we added American Express to our local card portfolio.

Adira Finance continued to dominate its market with a record 553,934 new motorcycles financed. The accent on lending for underlying business use continued to prove a sound strategy.

NETWORK
see page 24

INFORMATION TECHNOLOGY
see page 48

HUMAN RESOURCES
see page 44

Bank Danamon is open for business via 11,000 ATMs and over 1,200 branches, including DSP and Adira Finance, in 192 major towns and cities.

Convergence with our main IT platform gave Syariah customers full service access at all branches.

Recruitment, career planning and training are vital growth areas at Bank Danamon. We hired 4,076 staff in 2006.

COMMERCIAL BANKING & SME

see page 38

Commercial credit continued to record encouraging growth with lending up 18% year on year.

SME lending grew a solid 11% in 2006.

CORPORATE BANKING

see page 40

Bank Danamon's Corporate team remained focused on providing customers with innovative financial solutions and added value.

TREASURY, CAPITAL MARKETS & FINANCIAL INSTITUTIONS

see page 42

Bank Danamon obtained long term funding of Rp 1.3 trillion (equivalent to US$ 150 million) from the IFC in a landmark facility agreement for the private sector in Indonesia.

RISK MANAGEMENT

see page 55

Our risk management is thorough and our customers are responsible: non performing loans were only 3.3 per cent of the total portfolio in 2006.

DANAMON PEDULI

see page 50

Commmunity support: Bank Danamon employees take time away from busy jobs to support the young and those in need in the post earthquake restorations in Yogyakarta.

Financial Highlights

(in Rupiah billion, unless ratios in %)	2006	2005	2004	2003	2002
Consolidated Balance Sheets					
Assets	82,073	67,803	58,821	52,682	46,911
Earning Assets	73,445	59,981	53,170	49,855	42,774
Government Bonds	18,702	14,102	17,324	21,234	15,640
Loans [a), b)]	42,986	36,757	30,294	22,718	18,197
Third Party Funds	57,834	47,089	40,765	40,215	35,330
Interest Bearing Liabilities	69,051	56,459	46,885	42,343	38,315
Shareholder's Equity	9,442	8,589	7,804	6,822	4,653
Consolidated Statements of Income					
Interest Income	10,896	8,129	6,395	5,789	6,561
Interest Expenses	(5,251)	(3,526)	(2,376)	(3,238)	(4,824)
Net Interest Income	5,645	4,603	4,019	2,551	1,737
Non-Interest Income	1,598	1,341	1,322	1,812	898
Total Operating Income	7,243	5,944	5,341	4,363	2,635
Manpower Costs	(1,888)	(1,691)	(1,129)	(734)	(504)
G&A Expenses	(1,468)	(1,232)	(939)	(861)	(613)
Others	(312)	43	(175)	(94)	(250)
Other Operating Expenses	(3,669)	(2,879)	(2,243)	(1,689)	(1,367)
Provision	(1,026)	210	397	(1,326)	(279)
Net Operating Income	2,549	3,274	3,493	1,348	989
Net Non-Operating Income / (Expenses)	(446)	(276)	(115)	225	(0)
Income Before Tax	2,103	2,998	3,378	1,573	989
Income Tax	(652)	(876)	(895)	(43)	(41)
Minority Interest	(126)	(119)	(75)	0	0
Net Income	1,325	2,003	2,408	1,530	948
Earnings Per Share (in Rupiah)	268.91	407.71	490.75	311.72	193.28
Key Financial Ratios					
Net Interest Margin	9.3	8.9	8.6	5.5	4.1
Cost to Income	48.9	48.8	41.5	45.1	45.0
Return on Average Assets	1.8	3.1	4.5	3.2	2.0
Return on Average Equity	15.1	24.2	38.6	30.5	22.3
Loan to Deposits [c)]	75.5	80.8	72.2	56.5	51.5
Non-Performing Loans to Total Loans	3.3	2.6	4.0	6.8	4.4
Loan Loss Allowances to Non-Performing Loans [d)]	141.7	145.7	136.5	159.7	132.8
Capital Adequacy Ratio	20.4	22.7	25.6	26.8	25.3
Others					
Number of Employees	31,227 [e)]	28,357 [f)]	26,185	13,225	13,156
Number of Offices [g)]	1,107	1,113	746	477	471
Number of ATMs	754	779	804	777	739

a) Loans includes consumer financing receivables
b) Loans purchased from IBRA are stated at purchased price
c) Includes deposits from other banks
d) LLP/NPL includes collateral value
e) Includes 10,583, 1,024 and 533 employees of Adira Finance, Adira Quantum, and Adira Insurance respectively
f) Includes 10,300 employees of Adira Finance
g) Includes 718 and 739 units of DSP in 2006 and 2005 respectively

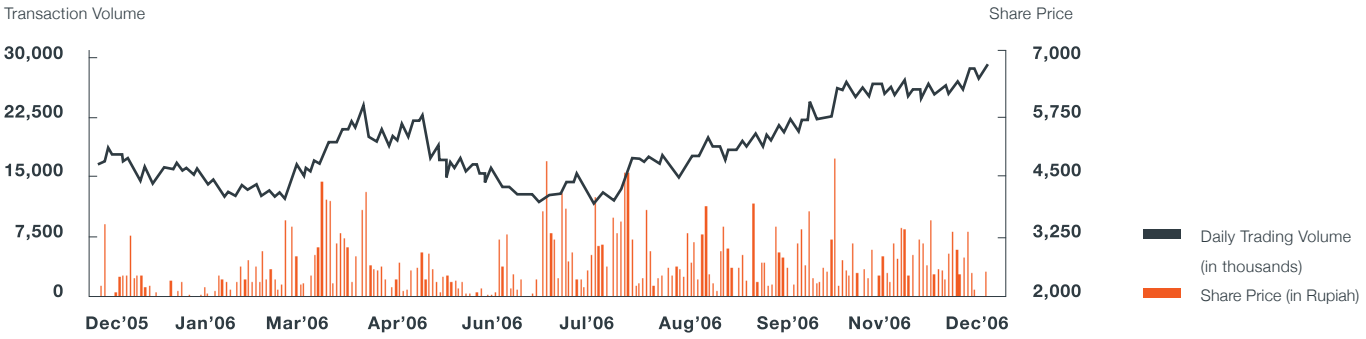
Share Highlights

Quarterly Share Price as quoted for the 2005-2006 Fiscal Year

Quarterly	I		II		III		IV	
	2006	2005	2006	2005	2006	2005	2006	2005
Jakarta Stock Exchange								
The Lowest Price of Shares (IDR)	4,050	4,500	3,900	4,825	3,875	3,725	5,250	3,900
The Highest Price of Shares (IDR)	5,050	5,900	6,100	5,550	5,350	4,425	6,800	4,900
The Lowest Volume of Share Transaction	3,500	100,567,500	139,500	50,716,000	929,500	56,566,000	98,500	39,602,000
The Highest Volume of Share Transaction	16,155,000	134,202,500	13,649,000	70,304,000	16,201,500	227,831,000	16,355,000	70,889,500
Surabaya Stock Exchange								
The Lowest Price of Shares (IDR)	4,050	4,100	3,950	4,475	3,900	3,825	5,400	3,400
The Highest Price of Shares (IDR)	5,025	5,700	5,950	5,450	5,300	5,600	6,750	4,875
The Lowest Volume of Share Transaction	100,000	12,500	*	*	*	*	1,340,000	*
The Highest Volume of Share Transaction	100,000	12,500	*	*	*	*	1,340,000	*

*) No bank's shares transaction

Share Performance in 2006



Dividend Policy

	2006	2005	2004	2003	2002
Total Dividend (in Rupiah million)	TBD*	1,001,922	1,204,039	611,200	569,041
Number of Shares (in million)	4,946	4,921	4,907	4,907	4,907
Dividend Payout Ratio (%)	TBD*	50	50	40	60
Earnings per Share (Rupiah)	268.91	407.71	490.75	311.72	193.28
Dividend Payment Date					
Interim Dividend	-	-	21 & 22 Dec 04	8 Apr 04	27 Dec 02
Final Dividend	TBD*	4 Jul 06	30 Jun 05	14 May 04	7 Jul 03
Price Earnings Ratio** (x)	25.19	11.67	6.57	4.72	10.04
Book Value of Shares (Rupiah)	1,909	1,745	1,590	1,390	948

* To be determined at the AGMS on March 27, 2007
** Based on closing price on December 28, 2006

Report of the President Commissioner

Well prepared for the next cycle

Dear Shareholder,

After a challenging year, your bank has emerged well prepared for the future. Despite tightening credit conditions and a period of interest rate volatility, your bank achieved satisfactory growth in lending in 2006, with higher margins and without significant deterioration in credit quality. At the same time improvement in liquidity has been achieved through deposit growth and additional long-term funding. As a result, Bank Danamon is well positioned for growth and expansion.

We envisage a positive economic outlook for 2007: year on year inflation for 2006 was well contained at 6.6%, oil prices today are considerably below the peaks recorded during 2006, public debt has been reduced and stability in the exchange rate achieved. The improvement in the economy and stronger domestic demand represent encouraging conditions in which Bank Danamon can continue to enable and empower its customers to grow and prosper.

The results

Normalised operating income grew 23% to Rp7,003 billion, excluding one-off items. Net profit after tax (NPAT) for 2006 was Rp1,325 billion. Earnings per share were Rp268.91 for the year and, following shareholder approval at the Annual General Meeting of Shareholders (AGMS) held on May 22, 2006, a final dividend for 2005 of Rp203.50 per share, representing 50% of total 2005 profit, was declared and paid in July 2006. Subject to shareholder approval, a proposed dividend from 2006 earnings will be declared at the AGMS to be held in March 2007.

Empowerment

For many customers across Indonesia, 2006 was a tough year. By official estimates the number of people below the poverty line grew by 4.5 million. Natural disasters, in particular the Central Java earthquake, continued to plague businesses and slow progress towards higher living standards. As this report is published, flooding and landslides are affecting hundreds of thousands of families. Bank Danamon together with customers have

responded with assistance, through the excellent work being undertaken by the Danamon Peduli Foundation and our volunteer staff, not only during the immediate aftermath of the emergency but in the period of restoration of the markets and communities affected.

Considerable work has gone into raising awareness of the need to enable those less well off to break out of the cycle of poverty. Celebrating the 50th year of the bank, we created the first nation-wide Danamon Awards to recognise the efforts of individuals and institutions engaged in empowering others. In the spirit of our vision of "We care and enable millions to prosper", we presented the Danamon Awards to six individuals and also held a series of empowerment seminars across the country featuring panel discussions with prominent government officials and economists. The series culminated in a talk by world-renowned economist, Hernando de Soto and an audience with President Susilo Bambang Yudhoyono.

Positioned for growth

A closer evaluation of the bank's performance during 2006 demonstrated the relevance of universal banking and highly segmented models aligned to specific targeted markets, not least from the viewpoint of sustaining a diverse source of earnings and a prudent spread of risk. In mass markets, DSP has continued expansive growth while a more sagacious view has been sensible for Adira Finance, in the form of selective growth in motorcycle finance while building consumer finance and insurance businesses. Slower growth in the corporate market, particularly sensitive to higher costs, has prompted a re-evaluation of the approach to this sector. Innovation in product development and training initiatives have been undertaken for future growth in consumer banking including Syariah banking, credit cards, commercial and SME banking. A highlight of the year was the bank becoming the sole issuer and manager of the American Express card in Indonesia. These developments together with further progress in investing in IT systems, the ATM and branch network and risk management, will sustain the bank's performance going forward and enhance its reputation as a leading financial institution and a customer-centric organisation.

Governance, integrity and compliance

Both the Board of Commissioners and the Board of Directors remain committed to setting high standards in governance and risk management. Close attention to strengthen the processes of monitoring, collection and remedial management of the credit portfolio has ensured that credit costs were contained and a steady improvement in the level of non performing loans in the second half of the year. Our risk management team is making satisfactory progress to ensure that we are Basel II compliant ahead of 2008.

People

In 2006, the bank recruited 4,067 new employees. We have also put in place a balanced mix of medium and long term compensation, to reward performance and to attract and retain talent. For the second year in a row, the Danamon Employee Opinion Survey (DEOS) has provided a very valuable tool in securing feedback from our staff on the progress the bank is making towards its goal to become an Employer of Choice. The results show, once again, the bank to be above its peers on all key aspects of human resources management and people motivation. The establishment of a 'Danamon University' curriculum is a bold step to build a commitment to excellence across the Bank Danamon franchise.

Appreciation

At the last shareholders' meeting, a number of changes to both Boards were approved. I take this opportunity to thank my predecessor Mr Sim Kee Boon, for his guidance and contributions as President Commissioner during an exciting phase in the bank's development. My thanks also go to Tejpal Singh Hora for his contributions as a Director during the last two years. We welcome Ali Yong, Vera Eve Lim, Sanjiv Malhotra, and Rene Burger to the Board of Directors, all of whom were appointed in 2006.

On behalf of the Board of Commissioners I would like to thank the management team and staff for their passion, dedication and teamwork over the course of the year and to extend our appreciation to our customers and shareholders for their continued support and confidence.

For and on behalf of the Board of Commissioners,

Ng Kee Choe
President Commissioner

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For and on behalf of the Board of Commissioners,

Ng Kee Choe
President Commissioner

Bank Danamon celebrates its 50th anniversary

Across Indonesia, customers, employees and the public nationwide joined together to celebrate Bank Danamon's 50th anniversary. Commencing in July and closing in December, activities included nationwide seminars on empowerment, the presenting of the Danamon Award, costumed parades, competitions, music and sports.

A 50-Year Profile

The story of Bank Danamon begins in 1956 when it was first established as PT Bank Kopra. It changed its name once in 1960 before becoming PT Bank Danamon Indonesia in 1976. In 1988, Bank Danamon became the first Indonesian private exchange bank, and a year later went public and listed in the Jakarta Stock Exchange.

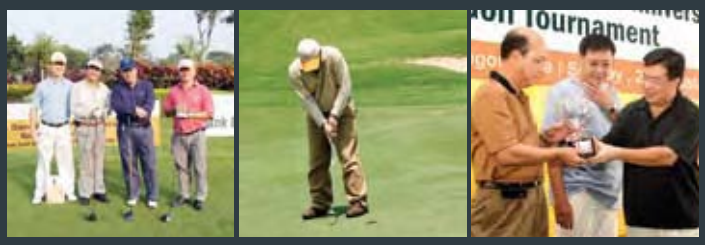
Between 1980 and 2000, Bank Danamon underwent a total of eleven mergers, emerging triumphantly from each. Following the Asian financial crisis which impacted the entire Indonesian banking industry, Bank Danamon was placed under the supervision of the Indonesian Bank Restructuring Agency (IBRA) in 1997. The bank was recapitalised by the Government of Indonesia in 1999.

Modern Bank Danamon began to emerge after 2000 when the bank underwent a period of consolidation: in terms of management, technology and systems, while adopted a new identity. This period culminated in 2003, when the bank was acquired by Asia Financial (Indonesia) Pte, Ltd., through which Temasek Holdings and Deutsche Bank AG hold beneficial ownership totalling 69.25% of Bank Danamon's listed shares. And with new ownership came new ideals: a clear vision, "We care and enable millions to prosper". In 2004 Bank Danamon launched its Danamon Simpan Pinjam network and acquired Adira Finance, one of the largest auto finance companies in Indonesia.

Today Bank Danamon has the second largest branch network in Indonesia, and is a top 5 bank in terms of loans and deposits. Following an extensive review under new management, a universal banking approach was developed characterised by specific business models, serving clearly defined market segments. Building upon substantial success of both DSP and Adira Finance together with a revitalised and extensive consumer banking franchise Bank Danamon is realising its mission, "To be one of the leading financial institutions in Indonesia."

1. **The overture to Bank Danamon's 50th anniversary celebrations was a gala dinner held in tribute to the last 50-years of Indonesian music. More than 800 guests attended this musical odyssey, including Bank Danamon customers.**

2. **Anniversary celebrations continued to swing with the Bank Danamon golf tournament in Bogor. 140 participants competed, but only one could drive home the prize for the hole-in-one competition.**



3. **30,000 employees in seven locations nationwide celebrated Bank Danamon's anniversary with a host of fun festivities and competitions.**

4. **The Danamon Award was launched to salute the efforts of individuals, non-profit organisations and businesses who consistently strive to empower and assist others on a path to prosperity.**

5. **The anniversary commemorations culminated in a series of seven economic enablement seminars featuring, among others renowned economic speakers, Hernando de Soto of Peru.**

Report of the President Director

Staying the course, emerging stronger.

In 2006, Bank Danamon celebrated its 50th anniversary and emerged stronger at the end of a challenging year for the economy of Indonesia.

The first half of 2006 was a testing period for the banking sector in general. We faced high inflation and interest rates, tightening monetary policy and liquidity, a significant deterioration in purchasing power across the entire consumer sector and the ensuing impact on personal and business credit worthiness and growth. We faced a number of regulatory changes and, in characteristic fashion, we rapidly responded to the needs of customers, employees and the communities affected by natural disasters in the country. Despite these multiple challenges, I am pleased to report good progress on all fronts, with a positive outlook for the year ahead.

Reported net profit for the year was Rp 1,325 billion compared to Rp 2,003 billion in 2005, a year in which we recorded Rp 808 billion of extraordinary and non recurring items. Moreover, on a normalised basis our core earnings showed an NPAT growth of 16% in 2006, from Rp 1,195 billion to Rp 1,389 billion. Despite the tough economic climate, our core results for 2006 underline the durability of our business models.

We achieved superior business growth and profitability. Total deposits grew 23% representing a gain in market share, and despite the general slowdown in credit demand, we attained an increase of 17% in lending. Net interest income grew 23% and net interest margin, one of our key performance indicators, increased for the fifth successive year, to 9.3%, indicative of the robustness of our high yielding businesses, notwithstanding a higher cost of funds. Fee income in 2006 grew 26% and credit related fees rose 40%.

Despite high inflation, we showed discipline in managing expenses. Operating expenses increased 18% partly due to new business expansions. Notwithstanding, our normalised cost to income ratio was reduced to 48.9% compared to 51.1% in 2005.

We tested the robustness of our risk architecture. Non-performing loans as a percentage of total lending was 3.3% despite the challenging operating environment, and our provision coverage reached over 140% after taking into account the collateral value. The cost of credit was contained to a level of 2.9% of our earning assets compared to a level of 3.1% in 2005. The bank's sound capital base (CAR of 20.4%) and strong funding in place give us comfort for the support of our business expansion initiatives. In addition to customer deposit growth we were successful in securing long term, structured funding from local and international markets, with no exchange risk. It is worth noting that the facility totalling US$150 million provided by the IFC set a new record among Indonesian private sector borrowers.

We have stayed the course. In the face of turbulence and change we have maintained our focus on five strategic priorities. First, to continue to invest in high yielding businesses; second, to enhance our funding franchise; third to strengthen our operational efficiency; fourth to upgrade our technology base; and fifth to pursue our long-term ambition of becoming an employer of choice. Let me examine each of these in turn.

Our high-yield businesses produced solid growth and contributed 44% of our total loan portfolio. Danamon Simpan Pinjam delivered 71% loan volume growth in 2006 and already accounted for 14% of total lending. Adira Finance, the automotive finance subsidiary, maintained its market leadership in difficult conditions growing by 12% in motorcycle lending and 7% in car financing, despite a sharp drop in demand across the automotive sector through the year.

Our credit and charge card activities were boosted by the acquisition of the sole rights to operate the American Express card in Indonesia and the launch of co-branded cards, like the Manchester United MasterCard. As one of our growing sources of fee income, our cards business represents the most complete range in the market operated by a strong management team and a new IT platform to provide us with the capability to manage large scale growth in the future.

We consolidated our shareholding in Adira Quantum, the non-auto consumer finance business and in Adira Insurance, the general insurance business. Both these subsidiaries have considerable cross-marketing potential to meet customer needs throughout the bank as well as build their own client base.

Backing our commitment to enhance the funding franchise, we have strengthened our retail banking platform by adding 1,800 sales staff, invested in 17,600 man days of training to improve skills, added and refreshed deposit and asset products, as well as upgraded our ATM network. We have also completed a number of successful promotions that have raised our profile as a full service bank offering innovative ideas. Total deposit growth quarter to quarter gained momentum and we achieved low cost current and savings account growth of 18% and 14% respectively for the year.

Improvements in operating efficiency were wide-ranging. A new Operational Excellence unit has been established across the organization to implement appropriate best international practices with the aim of reducing transaction cycle time, cutting out waste and focusing on further improvements to the customer experience. The temporary lull in the automotive market gave us a timely opportunity to strengthen the internal infrastructure in Adira Finance from deal origination, through repossessed inventory management.

The difficult economic environment did not deter our investment plans for upgrading our technology infrastructure. In addition to completing new processing systems for the credit card business in record time, key pricing and profitability systems were installed and a new loan processing system is being implemented in stages through to the end of 2007. Vital preparations were completed to evaluate a new core banking system to be rolled out in the next two years.

For the second year running, Bank Danamon conducted an employee climate survey, part of our ongoing efforts towards the goal of becoming an employer of choice. And for the second time, our scores surpassed the national benchmark and positioned the bank very strongly against peers in the region. Considerable work has gone into leadership development and management programmes, including the completion of a University curriculum. These measures and a considerable investment in training are essential to differentiate Bank Danamon as the first choice for those seeking an exciting and rewarding career.

We celebrated five decades of existence with a spirit of Empowerment. Bank Danamon is committed to deliver on the vision "to care and enable millions to prosper." We continue to build customers' confidence, help them gain better control over their personal or business needs and meet their objectives: perhaps working capital to grow a business or a mortgage to house a growing family. It may be the convenience of a credit card on an overseas trip or the support to help a market trader rebuild after a fire damage. Whatever the case, it is important that we understand the needs of our customers.

In 2006 we took the opportunity to commemorate Bank Danamon's 50th anniversary by establishing a collaborative framework towards shared empowerment, between the bank and its many stakeholders. Under this initiative we launched a series of external seminars with distinguished local and international speakers and held the inaugural Danamon Awards, an annual event that we hope will be a source of inspiration and a stimulus for responsible community development for many years to come.

Economic trends indicate that 2007 will be a year toward more conducive operating conditions, with single digit inflation and lower interest rates favouring a resumption of more robust credit expansion. GDP growth between 6%-7% will be key to address the long term objectives of meeting employment and poverty alleviation. Under these conditions we look forward to continuing our drive for progress from existing business models. Our ability to manage during testing periods, as experienced in the early part of 2006, has demonstrated that we are prepared for the new challenges and opportunities ahead.

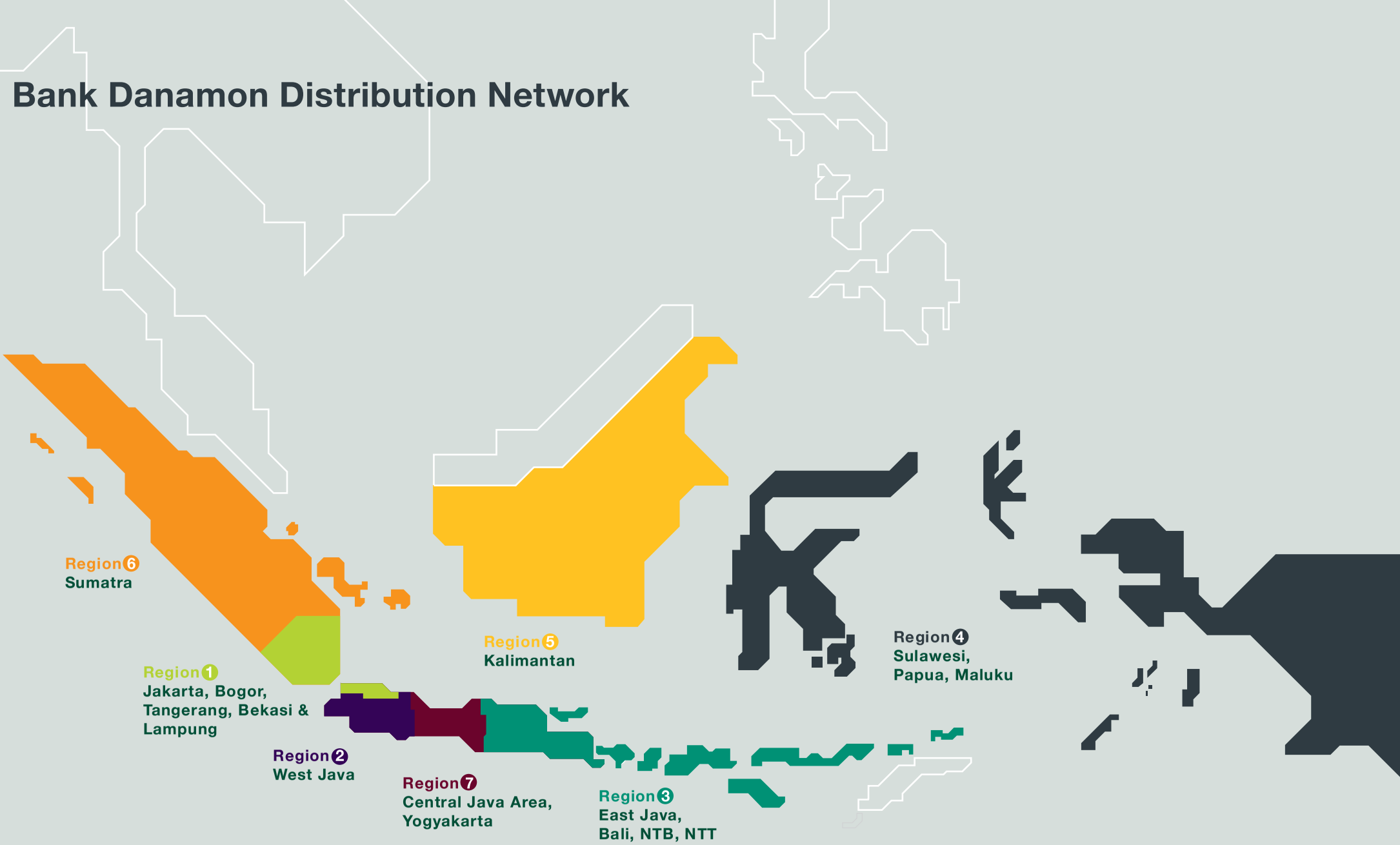
For and on behalf of the Board of Directors

Sebastian Paredes,
President Director
March 2007

The Board of Management

(from left to right)
Rene Burger
Sanjiv Malhotra
Ali Yong
Kanchan Nijasure
Anika Faisal
Sebastian Paredes
Jerry Ng
Vera Eve Lim
Djemi Suhenda
Hendarin Sukarmadji
Muliadi Rahardja

Bank Danamon Distribution Network



Region	Regular Branches	Syariah Branches	PGB Branches	DSP CMM	DSP SEMM	ATMs	Adira Finance	Adira Insurance	Adira Quantum
1	122	4	4	5	92	238	23	9	2
2	28	-	1	3	69	59	28	6	2
3	67	1	1	3	166	133	47	6	4
4	52	1	1	2	40	81	11	6	2
5	30	1	-	4	19	62	21	5	3
6	52	2	1	4	134	88	42	12	6
7	48	1	1	4	173	93	41	5	4
Total	399	10	10*	25**	693**	754	213	49	23

* Out of 10 PGB branches, 8 are located within regular branches.
** These are sub-branches of Bank Danamon. Out of 693 DSP SEMM and 25 DSP CMM branches, 16 and 7 respectively are located within regular branches.

Bank Danamon's network continues to become stronger, more efficient, and more visible each year.

The focus for 2006 included utilizing straight through processing to create simpler and faster processes and services; improving customer access to services, and employing in-house cost efficiency measures which saw the cost per transaction reduce by 17%. This was achieved in part by reductions in overtime and air travel time, as well as the implementation of better cost sharing, and tighter regulation of telephone and electricity facilities.

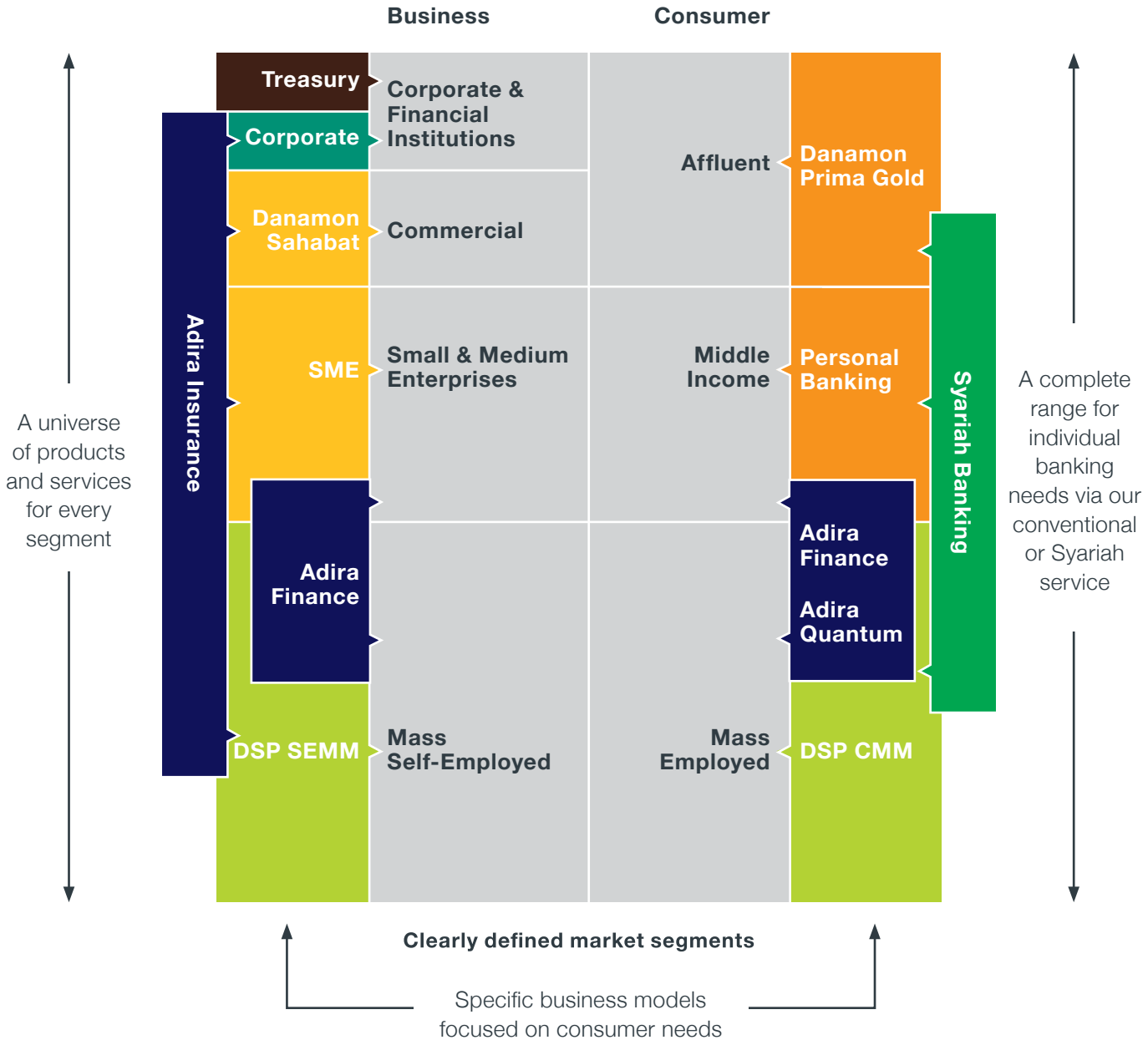
To facilitate faster service and more streamlined processes, 134 ATMs were replaced, forms simplified, teller processes quickened, 47 branches realigned, and a new card system implemented. The Mini Branch Management Concept was installed to achieve greater overall service performance.

Our burgeoning mobile phone banking service facility has dramatically improved customer access and seen the volume of transactions rise threefold, generating Rp 1.35 billion in fee-based income. ATM facilities have improved and now offer bill payment solutions; branch facilities now enable customers to conduct foreign currency transactions in 79 locations, and Syariah customers now have full access to the national distribution network. Customers have also been presented with enhanced cash@work features, with a result that there was a 76% increase in the volume of cash@work transactions.

Operating Review

Bank Danamon is a Universal Bank and a customer centric organisation

The concept of universal banking has different interpretations in different markets. At Bank Danamon the key driver is our customer centric focus. We combine the ability to offer services and products to suit targeted customer segments with the discipline of unique value proposition and risk management criteria. We aim to ensure that customer needs are properly supported and inherent risks fully considered.

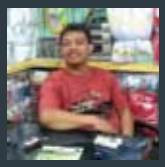


Danamon Simpan Pinjam

Danamon Simpan Pinjam (DSP) is a banking channel specifically catering to the needs of the mass market, a segment estimated to comprise about 43 million households across Indonesia. DSP provides a professional banking service which is simple, convenient and quick.

Bank Danamon's penetration into the mass market continued, largely unaffected by the macroeconomic downturn in 2006. Loan growth of 71% over the year with just 2.8% of loans classified as non-performing demonstrates DSP's strong footing in a resilient market and the quality of its management team.

The fact that daily essentials represent the largest proportion of business transacted in traditional markets is a major reason why the sector was able to weather the economic slowdown.



One Market Trader Pulls His Socks Up

Pak Iwan Abidin had big ambitions, and customers with big requirements. But with limited stock in small premises, he was unable to meet the demands of customers wanting to buy in bulk.

When DSP opened a branch in Pasar Beringharjo, Pak Iwan attended the opening ceremony. "My credit application was approved straight away, and later that week I had the funds to expand and increase my stock. Now I can serve customers who want to buy in bulk."

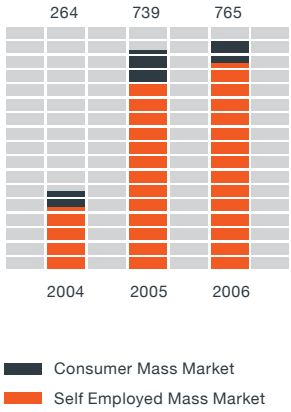
Unlike many other businesses, Pak Iwan sells to both wholesale merchants as well as directly to the consumer. "I meet the quantity my customer wants, no matter how large or small. That way everybody's satisfied."

Pak Iwan has been trading for ten years, having started with no capital at all. Now business is growing, and with DSP his sales turnover has grown threefold. "The DSP service has been fast and easy to use. In fact, I am now applying again to increase my credit line."

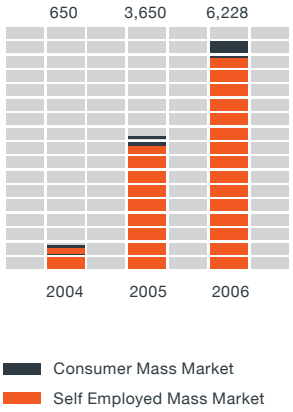
Danamon simpanpinjam
Kami hadir untuk Anda

Despite its fast growth in recent years, DSP still has the capability to expand. Firstly, the sheer scale of the informal sector offers considerable opportunities - institutional lending is still at a formative stage. Secondly, the market is far from homogeneous, and DSP has been working on the development of new business models in order to extend facilities across a broader value chain, in addition to the current highly successful lending activities in traditional markets.

DSP Units



Outstanding Loans
In Rp billion



Consumer Banking

Consumer banking continued to be a crucial component in the bank's strategy to enhance its funding franchise, being responsible for 65% of total deposits raised.

Building the liabilities side of the balance sheet, to generate liquidity and ongoing support for the expanding high-yielding asset businesses, remained a top priority in 2006. Deposit growth of 23% to Rp 57.8 trillion was encouraging, given the general economic conditions and tight monetary policy. Behind this positive trend is the result of an ongoing transformation within the consumer banking group encompassing a refinement of the retail presence and look, better differentiation in terms of product range and services, a stronger orientation to sales, margin and productivity and, not least, visible improvement in the development and empowerment of our people.

Targeting an increase in market share, we completed a shift from existing product portfolios to fuller coverage, most notably the inclusion of structured deposit products in multiple currencies; the progressive development of the bank's range of bancassurance products; the launch of mutual funds, and a broader credit card proposition than ever before. The development and soft launching of personal loans and a complete new house mortgage range towards year end gives us further opportunities to build on the improvements to date.

Consumer success was driven on several levels through increasing public awareness of the bank in our 50th year. We believe the Danamon Awards have helped raise our profile and we look forward to continuing this initiative in 2007. A series of high visibility marketing communications campaigns culminated in a "Realize Your Dreams" promotion awarding more than 10,000 prizes to customers, including trips to international destinations entirely of the winners' choice.

"Realize Your Dreams" - innovative special promotions and marketing campaigns raised the bank's profile in 2006.

WUJUD
KOMITME
KAMI

A Rp 1.5 billion gasoline giveaway offer for Bank Danamon card holders proved highly effective in attracting new business

To consolidate the sales and service capabilities, the emphasis on professional development continued during 2006 with 17,600 man days of training. In addition, we have refined our recruitment process, and developed self-access training materials for staff. The pace of staff development is set to increase in 2007 to ensure excellence in service. The creation of the Danamon University is the single most ambitious goal we have set to fulfil personal development and align our employees with our vision of being the best. The look of branches is also set to change in 2007 with new concepts in terms of branch management being implemented, and new branding colours for Bank Danamon.

To ensure the increased efforts in business development are matched with additional service and transaction handling capacity, we continued to invest in our infrastructure, which included replacing 134 ATMs with state of the art models and upgrading call centre capabilities.

Credit cards

Considerable progress was made to empower customers through broadening and deepening the value proposition within our credit and charge card business in 2006. We enhanced our existing cards, invested in new products, added valuable brands and now offer the most complete card range in Indonesia.

To support business expansion we invested in new information technology encompassing front end, host and collection systems. This technology was installed and operating in a record-breaking 4 months. During a year when high inflation impacted the entire card issuing sector through higher credit costs, we have boldly launched our card range as discrete, high yielding business that is scaleable, well targeted and operated by a highly experienced management team. Cross referral business, and cooperation with wealth management and SME banking teams are further opportunities being developed.

Credit card is a leading source of fee income for the bank, with card receivables already exceeding Rp 1 trillion at the turn of the year. Taking into account the strong and expanding choice of user benefits on offer, steadily improving credit conditions and greater purchasing power, the prospects for 2007 look promising.

my own CARD

Empowering card customers

Acquiring the American Express Card franchise for the Indonesian market in September has secured instant access to the affluent and corporate segment. No pre-set spending limits and the option of billing statements for overseas transactions in US Dollars are just two attractive features.

We are also expanding our co-branded partnerships: each targeted at specific niches with specific benefits. In addition to the Prudential card, we launched the Manchester United (MU) MasterCard. The MU card base has grown quickly and shown a high level of usage.

Prudential has proved equally popular with the added feature of obtaining discounts on life premiums through card usage.

We also built on a solid foundation of Visa and MasterCard offerings by adding attractive features such as a 10% rebate on selected utility bills of the customer's choice, free choice of statement dates, and low interest rate instalment payments on large purchases.

The trip of a lifetime: 24 lucky winners of our Manchester United MasterCard promotion watched the football legends 'live' at Old Trafford, UK

Adira Finance

Despite a downturn in demand for motorcycles and cars during 2006, Adira Finance achieved receivables growth of 10% and the level of non-performing loans (NPL) improved from 1.7% to 1.1%.

Improvements were made in terms of market share which increased from 10.5% to 12.2% of new motorcycle financing and from 3.7% to 3.9% in car financing. ↘1

Considering the impact of the fuel increase on purchasing power, Adira Finance maintained its strategy to support the two-wheel market, and concentrated on financing motorcycle business usage; as well as enhancing its relationships with over 8,000 dealers. In addition to generating direct referrals, dealers constituted a valuable source of business in Bank Danamon's transactional banking and short-term deposits, as well as potential customers for Commercial and SME working capital finance.

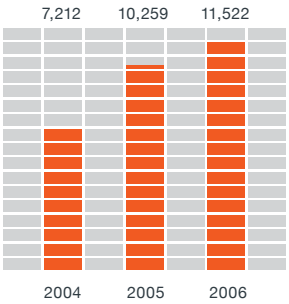
Measures were taken during the year to strengthen credit administration, collections and risk management, and preparatory work was completed to integrate the finance company's accounting, data and management information systems with those of the parent bank, ahead of the implementation of a new core banking system.

Adira Finance, servicing 1.4 million customers and representing about one quarter of the bank's total loan portfolio, offers attractive growth prospects going forward. Cross-sharing of customers between Adira Finance and Bank Danamon is a logical development, with additional personal and small business borrowing needs identified among current motorcycle finance customers.

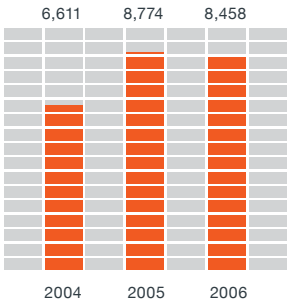
Looking ahead, as interest rates are expected to decline further, sufficient automotive industry capacity and increased competition between rival manufacturers in both two wheel and four wheel vehicles provide customers with a greater choice and affordable prices. Adira Finance multibrand financier status as independent from any manufacturer, with a substantial network of dealer relationships, well places it to expand the core business alongside Bank Danamon's newly acquired subsidiaries of Adira Quantum and Adira Insurance, both of which can capitalise on referral business from the parent bank as well as the ongoing expansion of their own customer base. ↘2

↘1

Outstanding receivables
In Rp billion

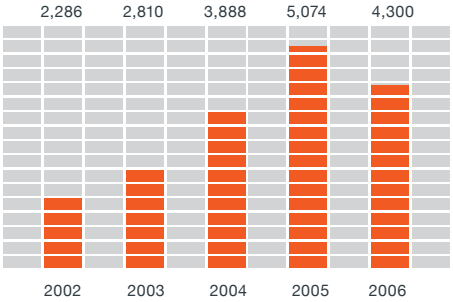


New financing
In Rp billion

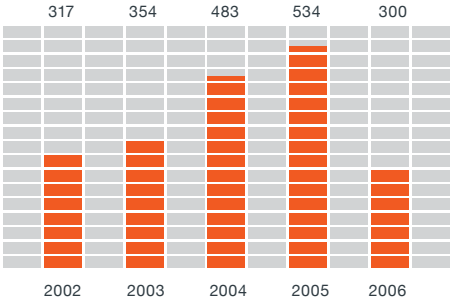


↘2

Domestic new motorcycle sales
In thousand units



Domestic new car sales
In thousand units



Syariah Banking

Access to the comprehensive Bank Danamon services platform through a migration to the bank's IT system (ICBS) has truly empowered Bank Danamon's Syariah customers in 2006.

In addition to 10 dedicated Syariah branches, customers now have access to the full range of Bank Danamon's services and facilities through conventional branches, and over 11,000 ATMs in the Bank Danamon shared network. The wider spectrum of services now available to Syariah customers includes the 24/7 use of Danamon Access Centre, e-banking and mobile phone banking facilities.

In line with its strategy to be recognised as one of the leading financial institutions in this market, Bank Danamon Syariah upped the tempo of its marketing campaigns through a variety of communication channels targeting the modern middle-to upper-class market. The unit continues to offer a number of funding products, current accounts, investments, home and vehicle ownership financing, and profit sharing financing. In salute of its success in fostering customer loyalty, the Syariah unit was awarded the Indonesia Banking Loyalty Award (IBLA) 2006 from Infobank and MarkPlus Research.

Still in its early stages, Syariah banking in Indonesia currently accounts for 2% of the total assets for the financial services industry - a figure expected to multiply over the next few years.

The Syariah unit was awarded the Indonesia Banking Loyalty Award (IBLA) 2006 from Infobank and MarkPlus Research.

Commercial Banking and SME Banking

Considering the challenging market conditions, loan growth rates of 18% for Commercial and 11% in the SME business were satisfactory, while deposits for the combined Commercial and SME segment increased by 30%.

Small and Medium Enterprises (SME)

For the majority of our SME customers we were predominantly the sole bank offering a complete range of services and developing new products in 2006, such as combined savings and current accounts with additional features. Two new products, Dana Quick Cash and Dana Oto were launched, designed specifically to support new customer acquisition and for additional business from existing relationships.

Commercial

During 2006 this business expanded in several different locations including greater Jakarta and Surabaya in Java with success also in Sumatra and Kalimantan. We continued to maintain our “Sahabat” positioning as ‘reliable partners’ to our commercial customers and delivered several new innovative products including foreign exchange hedging structures.

Asset Based Finance

As a product support group for SME and Commercial, Asset Based Finance grew significantly gaining strong market share. The focus of this business has been firstly the financing of heavy equipment and other asset classes, and secondly, to offer a one-stop solution for customer needs.

Danamon SAHABAT
Bank Danamon Commercial Banking

Investing in specialist skills

Our first 12 month dedicated management trainee development programme was launched during the year, tailored to the needs of Commercial and SME segments, and an investment in people for the future. The first batch of management trainees completed their intensive training program and were absorbed into full time roles in the business.

Corporate Banking

In a difficult market, the loan portfolio grew by 18% accompanied by an impressive 43% increase in current account customer balances and 68% increase in trade volume. The business has successfully increased cross-sell of other products so that 68% of operating income is contributed by non loan products.

Corporate banking is focused on the 1,500 largest companies in sectors in which Indonesia is globally competitive, and in industries critical to the ongoing development of the domestic economy and employment.

Two clear challenges were faced by the Corporate banking team during 2006, and to an extent these will continue for some time in 2007. Firstly, a slowdown in the economy impacted the lending environment. Fuel price hikes, high inflation, higher interest rates and reduced consumer demand affected corporate cash flows and thus the ability to service debt. Under these conditions a more prudent stance was appropriate for existing relationships as well as new lending opportunities with some provision increases deemed necessary.

Secondly, competition intensified, particularly from large local and foreign banks with ample liquidity, all vying for relatively scarce, high quality lending opportunities and all viewing the higher interest rates in Indonesia, the stability of the Rupiah, and improved sovereign debt ratings as very attractive opportunities. This combination of factors has resulted in downward pressure on margins at a time when, in general, costs were rising.

Corporate banking adapted to the changing dynamics by focusing on fee and transaction service areas, with some encouraging results in expanding fees earned from cash management and trade finance services, as well as a doubling of low cost current account balances. The level of time deposits raised virtually tripled, year on year. In specialist areas, we continued to gain recognition: as ‘Best Trade Finance Bank,’ by Global Finance magazine for the third consecutive year, and for second place in the Asiamoney Awards for Cash Management services.

2006 Transactions Highlights

Client's Sector	Bank Danamon Financing
Steel Manufacturing	Structured receivables financing for one of the largest steel manufacturing companies in the country.
Coal Mining	Provided guarantee facility for the largest coal producer in the country.
Oil & Gas	Provided guarantee facility for the largest local private oil and gas company.
Plantations	Co-lead arranger for a Term and Working Capital club deal.
Food and Beverage Manufacturing	Participated in a syndicated term loan facility.
Finance Company	Participated as the major lender in a syndicated facility.
Advisory	Corporate finance advisory for a coal mine acquisition.

Outlook

As better economic conditions, single digit inflation and more robust domestic demand augur well for our customers, such improvements will also ensure that competition remains fierce for the year ahead, not only from rival banks, but also from the local bond market as an alternate source of financing. We have responded by reorganizing our approach to the corporate market. We will intensify our efforts in the sectors in which we have expertise and experience, with dedicated industry teams and specific corporate analysts. Our advisory, project finance and loan syndications skills are key areas of opportunity as we seek to deepen existing relationships as well as develop cross referrals with other parts of the bank.

Treasury, Capital Markets and Financial Institutions

The Treasury and Capital Market (TCM) Group, through four functional desks, serves several key roles. These include managing market and liquidity risk for the bank, developing and providing innovative products to support customers' needs and operating as a profit centre through its own discretionary trading and sales operations.

The Asset and Liability Management Desk (ALM) plays an instrumental role in managing the market and liquidity risks of the bank. It is also responsible for securing structural funding in keeping with the bank's strategic initiative to manage the asset liability mismatch to a prudent level. In 2006, Bank Danamon obtained a Rp 1.3 trillion or equivalent to US$ 150 million loan facility from the International Finance Corporation (IFC), the biggest facility of its type arranged for the private sector and the first of its kind for the IFC and Indonesia, allowing the bank to tap the cost efficient swap market. In addition, a US$100 million Floating Rate Certificate of Deposit (FRCD) was rolled over and an additional Rp 1,125 billion funding was raised through a REPO facility.

Enhancing TCM's capability in market risk and liquidity risk management for the bank, a number of refinements were carried out accommodating local market characteristics and bringing the bank into line with international best practices.

The Treasury sales desk spearheads the development of services for individual customers. In 2006, it continued to respond to the emerging trend, away from 'passive' deposit products towards more active investment needs, using a range of Treasury Investment Products (TIPS) which offer yield enhancement tailored to each customer's risk appetite and individual needs. Independent market research carried out during the year estimates Bank Danamon as having a market share in excess of 15% in the investment products market.

Treasury also participated as a selling agent and stand by buyer of the debut issue of government retail bonds (ORI: *Obligasi Retail Indonesia*).

For the more complex and sophisticated needs of the institutional market, Treasury Sales provides professional advisory services and specific strategies to accommodate both operational and investment/hedging requirements.

The Foreign Exchange and Interest Rate Trading Desk is an active player in the IDR FX and interest rate market. Access to the professional market ensures customer's benefit from competitive pricing on all treasury products. In the IDR interest rate market, Bank Danamon is among the few banks who manages its own IDR swap book risk for tenors up to 5 years. Through its participation in the US Treasury market and Interest Rate Futures, the bank is able to manage its US Dollar portfolio for both trading and hedging purposes. Access to the US Interest Rate futures market is a progressive move and Bank Danamon remains the first and **only bank** in Indonesia to participate in this market.

The Fixed Income Trading Desk is responsible for the trading and distribution of Fixed Income related products in both local and international markets. These Fixed Income products include Indonesian Sovereign bonds, US Treasury Notes, Corporate bonds and Government Retail Bonds (ORI). Bank Danamon is an active market maker in the government bond market, serving both an onshore and offshore investor base.

The TCM Group also has a Business Management desk which functionally supports the operations of TCM to ensure that proper infrastructure and internal controls are in place as well as being responsible for business planning and budgeting, and internal reporting.

In 2006, the Financial Institution (FI) Group was brought under TCM Group in line with the nature of its business and client base, to ensure better synergy between the FI client needs and TCM products and markets.

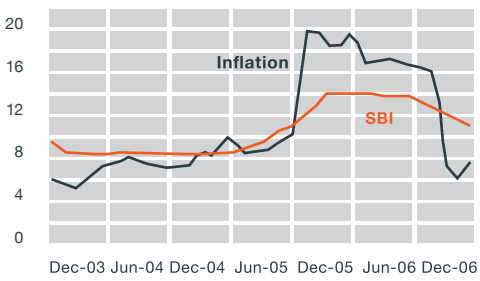
The FI Group is responsible for servicing financial institutions, managing the overall relationship for banks, both domestic and international, as well as securities companies, brokerage houses and asset management houses. The FI Group continues to build and maintain strong relationships with FI clients through a broad range of services such as correspondent banking, international remittances, Trade Finance, Custody, Cash Management as well as Treasury products and solutions.

Market Highlights in 2006

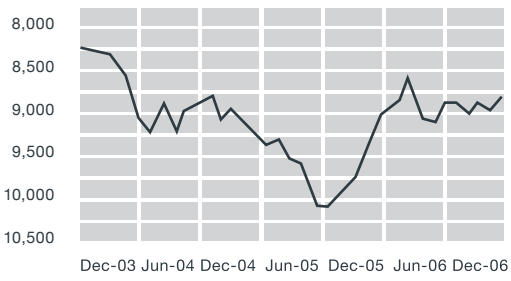
After a period of adjustment to the impact of fuel price increases, the rate of inflation slowed significantly during the last quarter of 2006. Impressive growth in non-oil and gas export figures and a balance of payments surplus enabled the Government to repay US$7.6 billion in outstanding IMF loans. Foreign reserves closed the year at a high of US$42.6 billion and S&P upgraded Indonesia's foreign currency rating from B+ to BB-, the highest rating for Indonesia since the financial crisis in 1998.

The Rupiah rallied strongly against the US dollar with 7% year on year appreciation to a level of Rp 9,068 by December 2006, even though regional currencies weakened against the greenback. The Jakarta stock market Composite Index (JCI) reached a new record high of 1,805. The bond market was also buoyant with secondary market trading in government bonds performing strongly as Bank Indonesia steadily cut interest rates from an intra year high of 12.75% to 9.75% by year end. The long bond yield has tightened from 13% at the beginning of the year to 10.5% at the end of the year, while mid-end bond prices shifted from 12% to 10%. The bond market was more active through increased participation by offshore investors.

SBI 1 Month Interest Rate and Inflation
In %



Exchange Rate
IDR/USD



Human Resources

In 2006, good progress was achieved in each of the four pillars supporting our ongoing efforts to become an employer of choice.

- **Leadership: cultivating committed leaders with a reputation for competence and expertise.**

  The core attributes we expect from our leaders have been identified and incorporated into a new Leadership Development curriculum to be launched in 2007. Over the medium term, this new development programme, established in cooperation with INSEAD, will contribute substantially to maintaining a high calibre pool of talent with which we can manage the bank's succession plan.

- **Working Environment: promoting open communication and empowerment of the individual in a dynamic and supportive environment.**

  Throughout the year a host of activities was held to cultivate a common spirit and sense of shared fun between Bank Danamon employees. Events ranged from sports fixtures and family gatherings to the "Danamon Idol" dangdut talent competition.

  Testament to the positive development in this area were the results of the Danamon Employee Opinion Survey (DEOS).

- **Company Image: being a leading financial institution in Indonesia, managed by professionals using international best practices.**

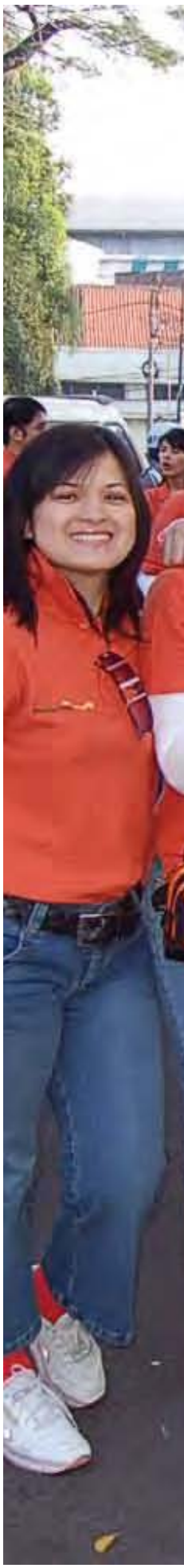
  To consolidate the company's image, presentations were made at Indonesia's leading universities regarding Bank Danamon's position as a leading financial institution, not only to boost Bank Danamon's image among undergraduates and graduates, but to woo fresh talent. More than 2,000 graduates participated in a series of career seminars and campus hiring events held by the bank across Indonesia.

- **Opportunity to Grow: encouraging employees to strive for success in a stimulating environment.**

  In 2006, our training courses and workshops, predominantly held at the Danamon Campus in Ciawi, West Java, were attended by as many as 16,073 participants resulting in a total of 67,017 man days of tuition.

  Training is primarily conducted by internal instructors, and we currently have more than 380 senior officers actively facilitating tuition.

  We continued to implement our Commercial and SME Management Trainee programme, and launched new sector-specific programmes for the card business, operations-transactions sector, and a Management Associate Programme for Corporate Banking, Treasury, and Risk.



APOT K JANT

The 2006 Danamon Employee Opinion Survey (DEOS)

Results from our second DEOS indicate that we are making steady progress. Three indices under the headings Commitment, Alignment, and Enablement were used to assess the bank's performance against a wide peer group.

Under **commitment**, employees were asked about their feelings towards the bank as an employer: whether they were proud to work in Bank Danamon, whether they planned to make Bank Danamon their long term career and how satisfied they felt. The results showed that 60% of participating employees responded favourably to questions of commitment – an improvement of 1% from 2005, and a result 3% higher than the Indonesia benchmark. The result for Asia stood at 64%. A response of favourable means the respondent either agreed or strongly agreed with the statement.

Under **alignment**, employees answered questions about their understanding of the bank's strategic goals, the availability of internal information, and their understanding of where their role was within the Bank Danamon world. In this area we netted the most impressive results: 77% of respondents were favourable, which marked a 2% increase from 2005, and stood 7% higher than Indonesia norms and 9% higher than Asia norms.

Under **enablement**, employees responded to questions regarding the availability of internal support, training and resources. As with the alignment index, Bank Danamon scored higher than Indonesia and Asia norms: 61% of employees responded favourably to enablement questions, a result 10% higher than 2005, 5% higher than Indonesia norms and 8% higher than Asia norms.

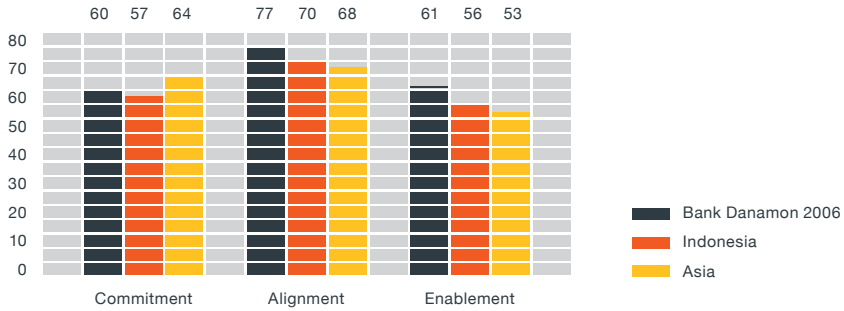
Corporate values

A common set of corporate values has been developed as an essential element to differentiate the bank in a highly competitive market. Senior management spent time in 2006 traveling to different regions of the bank to communicate these values.

In 2006, to perpetuate corporate values, an internal role model programme promoted the real-life stories of our employees living Bank Danamon values. These stories not only provide inspiration for other employees, but acted as a platform of recognition for the employees profiled.

Caring is integral to our corporate values; in line with this we supplied aid to those employees who lost their

Employee Survey Result in 2006
In %

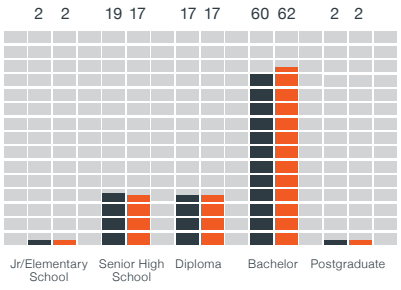


belongings in the tsunami in Aceh and the earthquake in Yogyakarta. We replaced 16 houses in Aceh for employees, and assisted 81 employees rebuild their houses in Yogyakarta; the total value of donations was Rp 2,152 million. Other assistance given in 2006 included the provision of 181 scholarships for the children of our lower grade employees.

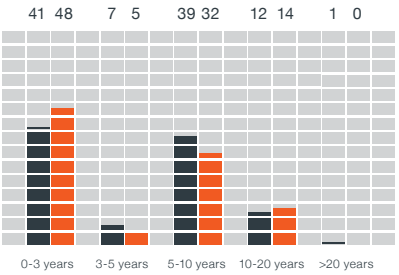
Recruitment

To meet the demands of Bank Danamon's growing businesses, 4,067 new employees were hired in 2006. The total number of employees including our subsidiaries was 31,227 which placed Bank Danamon as the number two largest employer in the financial sector in Indonesia.

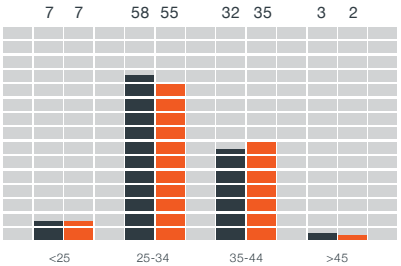
Number of employees by level of education
In %



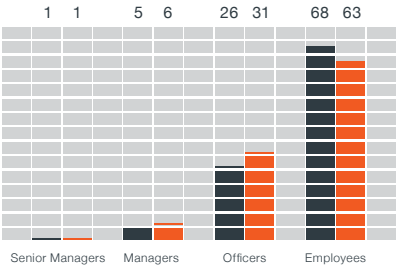
Number of employees by years of service
In %



Number of employees by age group
In %



Number of employees by grade
In %



2005
2006

Information Technology

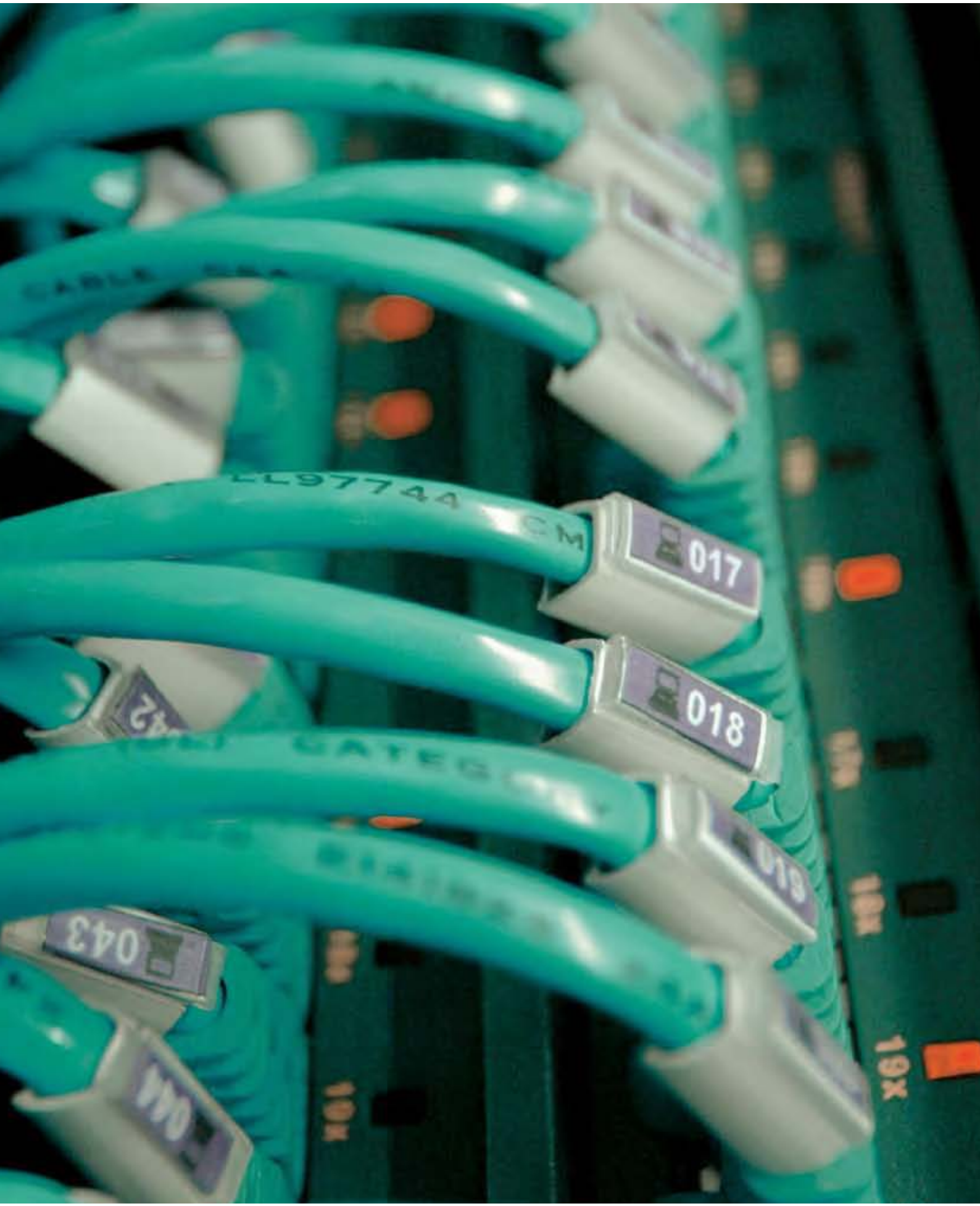
Progress continued during the year in completing key milestones on the bank's roadmap to provide a truly world-class IT platform to all areas of Bank Danamon's business by 2009.

Areas addressed include Treasury, Trade Finance, Collection and Central Limits systems, and the capacity upgrade of the current core banking system. The rollout of a new credit card processing system, completed in a record 4 months, will enable us to grow our cards portfolio in Indonesia. An MIS pricing and profitability system has been implemented. A new loan origination system has been implemented in some areas, and will continue to be rolled out in 2007.

We also progressed in overhauling our recovery capability which, in 2007, will provide us with complete restoration from a back-up site within 30 minutes, day or night. Bank Indonesia requirements specify a maximum of 24 hours for this process. We continued ongoing enhancements to ensure adequate IT security for our servers, networks and desktops, including improved monitoring.

The evaluation of a new core banking system to handle the needs of Bank Danamon's multiple businesses and expanding branch network has been completed. The new core banking system, when fully implemented, will scale-up IT systems' capacity and reliability to serve more than 10 million customers. It will significantly enhance flexibility, time to market, and service quality to meet the diverse needs of our customers. The first phase for DSP will be implemented by early 2007 and the second phase for conventional businesses by the end of 2008.

We also completed the evaluation of a new switching system. This will be implemented through 2007 and 2008 as part of our programme to expand and improve our network of electronic channels, including ATMs, EDCs and call centres. In 2007, we will also enhance our cards platform to support the AMEX business. A CRM (Customer Relationship Management) platform is being planned for implementation in 2008. It is expected that all milestones on the bank's original roadmap will be completed by the middle of 2009.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Corporate Social Responsibility

Formerly operating as a unit within the bank, Danamon Peduli was officially granted status as an independent legal foundation on February 2, 2006.

Danamon Peduli Empowered

Peduli means 'to care' and is taken from Bank Danamon's vision, "We care and enable millions to prosper." Danamon Peduli's overriding ambition is to be a professional and transparent foundation creating meaningful benefits for society.

The foundation's objective is to establish a portfolio of effective and action-oriented programmes, and to achieve this, Danamon Peduli has been incorporating some of the best organizational frameworks and models from the international non-profit arena. With proven models as guidelines, Danamon Peduli is forming and launching its programmes to achieve tangible and sustainable social impact.

Activities Running in 2006

In 2006, Danamon Peduli ran three different programmes: 'My Market', a series of market clean up and health improvement projects; "3R", the Relief, Recovery, Rebuild disaster response programme; and the "Danamon Scholars" programme, which provides full academic and living cost scholarships for selected high-performing students at the Bogor Agricultural University.

The "My Market: Clean. Healthy. Prosperous." programme launched in 2004 has been widened to promote awareness of pertinent health issues. Activities include sweeping and cleaning up of market areas; conducting health orientation and free medical check-ups for community members, and distributing information fliers to traders on topical issues like avian flu and polio immunization.

The number of 'My Market' programmes run in 2006 doubled that of 2005; the number of volunteers in 2006 rose by 30% from 2005, and the number of beneficiaries more than tripled in 2006.

Bank Danamon

The involvement of volunteers is integral to one of the core beliefs behind Danamon Peduli, in that employees, as community members, can have a personal and visible role in producing social benefits in the areas they live and work.

Work is currently underway to further evolve the sustainability and depth of the 'My Market' programmes to encompass a Danamon Peduli Corner which will provide public toilets, waste management and an information facility for those markets to be able to demonstrate a long term commitment to the market clean up, and continue to keep it clean, healthy and prosperous independent of Danamon Peduli. In other words, true sustainability will be rewarded by the opportunity for further developments.

The Danamon Peduli disaster response faculty is called 3R:Relief.Recovery. Rebuild. It aims to provide relief in the wake of a disaster within 24 hours, and to identify the critical needs of the community post disaster. Demonstrative of Danamon Peduli's long term commitment to stricken communities is its work in Aceh. Together with Usindo, it is nearing the completion of a multipurpose building for University of Syiah Kuala Laboratory School - a facility which will have the dual function of serving as a community centre as well.

Hundreds of miles east, 3R continues to work in Yogyakarta. In conjunction with Forum Merti Dusun, led by Princess Pembayun, daughter of Sri Sultan Hamengkubuwono X, Danamon Peduli is building six community centres, 'Danamon Peduli Corners', for villages in the disaster area. The centres will facilitate non formal education activities, art, and a computer learning centre, as well as public toilets and a public information board.

The Danamon Scholars programme, running since 2004, provided 8 students full academic and living cost scholarships based on performance criteria, to study at the Bogor Agricultural University. The scholarships included an allowance for books and accommodation. The scholarship program also exposed students to matters beyond the academic theatre by running Sharing-on-a-Sunday initiatives which involved organizing guest speakers to talk about self development issues on topics ranging from public speaking skills to interview techniques to life blueprints.

	2004		2005		2006	
	Programme	Volunteers	Programme	Volunteers	Programme	Volunteers
My Market	146	160	794	6,336	1,434	9,535
Relief.Recovery.Rebuild.	4	52	13	327	82	116
Danamon Scholars	118	236	2	4	2	4
Total Beneficiaries	**3,152**		**246,646**		**724,701**	

Founders:

PT Bank Danamon Indonesia Tbk

PT Adira Dinamika Multifinance Tbk

Board of Trustees:

Mar'ie Muhammed (Chairman)

Ambassador Edward Lee

Teddy P. Rachmat

Sebastian Paredes

Jerry Ng

Board of Supervisors:

Manggi Habir (Chairman)

Kartini Muljadi

Sri Urip

Palgunadi Setiawan

Anika Faisal

Muliadi Rahardja

Board of Management:

Tya Adhitama (Chairwoman)

Djemi Suhenda (Vice Chairman)

Dini Herdini (Vice Chairwoman)

Muljono Tjandra (Treasurer)

Rony Teja Sukmana (Secretary)

Transparent Internal Processes and Governance

In order to run effectively, Danamon Peduli focuses on four key internal elements: streamlined operations, well-managed volunteers, innovation in simple programmes, and transparent governance. Operational performance has been enhanced by the introduction of simpler proposal writing and approval processes, as well as faster turnaround and more open communication channels between team members. Innovative thinking greatly enhances a programme's appeal and impact; in the 'My Market' projects, the annual cleanup programmes have been transformed by the addition of free health checks and advice, and the disinfection of the poultry sections of the wet markets.

To ensure transparent governance, Danamon Peduli's financial statements are annually audited by an approved public accountant. Meetings are regularly held and minutes taken and distributed. Information and news is openly disseminated via brochures, articles and summaries which are published in both internal and external media. During 2006, there were more than 50 instances of this.

Financial Responsibility

Financial accountability is crucial for the integrity of a non-profit organisation. Danamon Peduli's monitoring activities take three key forms: close supervision of the Rp/Beneficiary ratio; adherence to pre-stipulated budget targets, and independent fundraising.

The Rp/Beneficiary ratio is the total activity cost per beneficiary. For the 'My Market' programmes, this stood at Rp14,252 per beneficiary, and at Rp50,000 in the 3R programmes, a sum which included the procurement of medicine, potable water, rice, and cement for reconstruction.

Danamon Peduli is able to seek funds from the public and has set up separate accounts to do so. In 2006, approximately 10% of the total funds donated to Danamon Peduli were from fundraising efforts. These are recorded separately from Danamon Peduli's programme and operational budgets.

Risk Management & Corporate Governance

Risk Management

Bank Danamon's risk architecture has proven effective during challenging times.

Introduction

There are many risks in the markets in which Bank Danamon operates. A range of factors, some of which are beyond the bank's control, can influence performance.

Bank Danamon believes in Enterprise Risk Management as an approach to manage all risks. This requires a proactive, systematic, and disciplined risk management process covering all risks - Credit Risk, Market Risk, Liquidity Risk, and Operational Risk. Risks such as Reputation Risk, Legal Risk, Strategic Risk, and Compliance Risk are managed as part of Operational Risk.

An Integrated or Enterprise Risk Management culture is firmly entrenched throughout the bank. The bank's management takes a holistic approach to risk management based upon sound principles and values, encompassing a well defined risk strategy, proper board structures, and active working committees with clear roles, responsibilities, authorities and levels of delegation. Risk management is assessed in terms of key performance indicators. It is disseminated through detailed policy manuals and documentation and is independently audited and assessed.

Risks and Methods Defined

The risks inherent in the day-to-day operations of the bank are summarised under a number of different categories:

Credit risk is defined by a borrower's ability to meet repayment, interest or other obligations due to the bank. Credit risk is managed using established policies and procedures covering the origination, underwriting, maintenance, and collection of all credits to ensure the risk profile is within an acceptable range. Such ranges are defined by portfolio limits for the bank as a whole and separately for each business line. Portfolio limits take into account individual business plans and capabilities, industry or other concentrations and trends, economic conditions, product profitability and expected credit losses.

A credit risk management function within each line of business ensures there is proper segregation of duties between management authorised to grant credit up to a limit based on an individual's experience and track record and the nature of business requirements, and the Integrated Risk Group who independently assess and regularly review individual credits. A further independent review is undertaken by Internal Audit.

Management benchmarks itself against commonly understood "international best practices" in the field of Credit Risk Management. Compliance with Bank Indonesia regulations is of the highest priority, as is compliance with all other laws and regulations. In anticipation of the introduction of Basel II guidelines in Indonesia, we are currently working towards compliance with Basel II principles, which we expect to reach within timelines defined by Bank Indonesia.

The Market Risk framework enables the bank to correctly measure and manage risk arising from movements in market factors, e.g. interest rate, foreign exchange, etc. This includes instruments in the trading book as well as balance sheet interest rate gaps.

Market risks in the trading book are monitored and measured daily through DV01 and Option Greek limits. The limit framework enables management to monitor risk through the underlying risk factors (different currencies and interest rates) and decide on the appropriate level of hedging, if any.

In addition, Value-at-Risk (VaR) is calculated on a daily basis to quantify the overall risk level of the trading book.

Similarly, balance sheet interest rate gap limits are used to manage the interest rate risk arising out of balance sheet gaps more efficiently.

The Liquidity Risk framework measures and manages the ability of the bank to fund its liabilities on a day-to-day basis.

To enable the bank to effectively manage the liquidity risk inherent in the balance sheet, a comprehensive liquidity limit framework has been set up. The framework enables the treasury to manage short-term liquidity mismatches, while the Asset Liability Committee (ALCO) manages the structural balance sheet composition through an array of balance sheet ratio targets. As the senior management is ultimately responsible for the asset liability composition of the bank, ALCO is convened every month with participants from all business divisions.

Furthermore, in order to ensure we have the necessary capacity to manage liquidity stress situations, we conduct monthly stress testing.

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, and generally refers to physical or technology driven events, human error or deliberate action, legal risk or the occurrence of fraud. There were no material cases of fraud outstanding as of December 31, 2006. A systematic operational risk management framework is in place to ensure all operational risks are properly identified and controlled in a timely manner, and regular comprehensive self-assessment checks are in place in all key areas of the bank. Further independent reviews of the effectiveness and integrity of controls are carried out with a brief to make improvements at every step.

Bank Danamon manages operational risk following rules and regulations issued by Bank Indonesia and benchmarks itself against international best practice.

Business Continuity Planning

In 2006, a specific continuity plan was formulated regarding the possibility of an influenza pandemic. The plan included raising education and awareness of the problem, devising crisis management strategies for all units, and organizing a command centre.

A non-specific comprehensive business continuity plan was also devised, which saw the allocation of roles and responsibilities to parties in the event of a disaster, and the establishment of a central command office. Following a business impact analysis, a Business Continuity Management (BCM) manual has been designed expounding BCM philosophies and policies, as well as practical procedures to be followed in the event of a disaster.

Managing of Risk

The improvements and changes effected in 2006

All risk positions are carefully reviewed, on a regular basis including daily and intraday examinations. In addition monthly comprehensive reviews are undertaken of all likely risks and of the risk parameters themselves to ensure they are still relevant. External factors and trends in markets, in business sectors, and the economy as a whole are also evaluated. Risk assets are identified and measured (portfolio stress-test) in regular portfolio meetings, which are attended by senior risk management officers. The results are reviewed by the Risk Management Committee in monthly meetings.

New policy manuals and procedures are established for all businesses and activities, such as: a Risk Management Policy Manual which is issued by Credit Risk Management as part of the Good Corporate Governance framework, anti money laundering procedures, KYC policies & procedures which are revised to strengthen anti money laundering, and policies on Product Transparency. Clearly defined product approval processes have been established. Any new product or activity requires prior approval by all relevant authorities in Bank Danamon, including Risk Management, Legal, Compliance and Accounting to ensure compliance with all relevant laws, external regulations and Bank Danamon's internal standards and procedures. Existing processes are reviewed periodically. As in the past, processes and methodologies of affiliated companies will be reviewed, evaluated and amended if necessary.

Risk Management Committees

Frequent and robust testing of the overall risk management architecture is a central function of management committees in their role to assess the quality and effectiveness of the bank's risk management. Their duties, composition and frequency of meeting are described below:

Risk Monitoring Committee of the Board of Commissioners
See page 72 of the Corporate Governance section.

Risk Management Committee (RMC)

The Risk Management Committee met 11 times in 2006, and was established to implement an effective risk management framework and to ensure the application of risk supervision through the determination of risk tolerance, limits, and the overall risk management strategy.

Members of the Risk Management Committee comprise of the Integrated Risk Head as Chairman, the President Director, the Compliance Director, members of the Board of Management, and other executives as nominated.

Business Credit Committee (BCC)
The BCC is responsible for the approval of credit proposals and quality of the underwriting standards within any business. BCC members are delegated discretionary limits, based upon their skills and experience. All credits must be approved by at least 2 members of the BCC, one of whom must have a limit to approve the credit.

Asset and Liability Committee (ALCO)
See page 76 of the Corporate Governance section.

Operational Risk Committee (ORC)
Reviewing operational issues arising in the course of normal business, the ORC initiates corrective action where warranted and disseminates adjustments and changes to policy throughout the bank. Two meetings were conducted in 2006 to discuss and solve major operational issues.

Members of the Operational Risk Committee comprise of the Integrated Risk Head as Chairman, Operational Director, Head of Operations, Head of Internal Control Unit, Head of Operational Risk, Head of Mass Market Operations, Head of Credit Support Administration, Head of Legal Division and Head of SKAI.

Corporate Governance

The Board of Commissioners and Board of Directors believe good corporate governance practices are intrinsic to Bank Danamon's philosophy. Embedded within Bank Danamon's governance principles are the bank's core values: caring, honesty, passion to excel, teamwork and disciplined professionalism.

Transparency and accountability are the bedrock from which the bank develops relationships with stakeholders who have a legitimate interest in the operations of the bank including customers, suppliers, creditors, employees and the communities in which the bank operates.

Corporate governance best practice is based on six core principles:

- Integrity: a fundamental honesty which ensures that conduct and decision making are free from conflict of interest and that the interests of the company are placed before personal ones.
- Fairness: objective professionalism in decision making to ensure that shareholder rights are protected in a fair and equitable manner.
- Transparency: the clear, accurate and timely disclosure of information.
- Accountability: defined obligations, responsibilities, and roles between commissioners, directors and shareholders of the bank.
- Responsibility: compliance with all prevailing laws and regulations, and the commitment to act as a good corporate citizen in the community at large.
- Independence: Board member objectivity is upheld in all matters. In judgements with the potential for conflict of interest, independent advice is sought.

Bank Danamon has issued a Good Corporate Governance manual for employees at all levels to serve as a practical reference guide for implementing Good Corporate Governance principles.

Responsibilities of the Boards

Both Boards are guided by the following accountability and disclosure precepts.

Accountability

- Bank Danamon's written set of rules relating to governance is adhered to in the course of normal business.
- The bank's vision, mission, and objectives are clearly stated and a supporting business plan is in place.
- A full committee structure ensures key elements of governance are carried out.
- As of December 31, 2006, four Independent Commissioners have been appointed by shareholders in excess of the minimum 30% requirement set by the Jakarta Stock Exchange regulation No.IA, in compliance with Bank Indonesia's 50% requirement.
- As of January 16, 2007, all committees are chaired by an Independent Commissioner.

Disclosure

- A transparent ownership structure is in place with a clear statement of any beneficial ownership of shares by Commissioners and Directors. Board members hold less than 1% of the bank's shares, while public shareholders' constituted 30.75% of the total ownership of Bank Danamon on December 31, 2006 (please refer to Note 5/76 in the Consolidated Financial Statements).
- Accurate, adequate and timely information is provided through quarterly public expose, as well as regular investor meetings and non-deal road-shows on the bank's financial performance, business operation, competitive position, and the extent of the bank's approach to managing all risks in its normal operations. Details of the appointment of Board members and Board remuneration are also provided.
- Multiple communication channels for shareholders and the public are in place, including among others, the annual report, company website, regular press and analyst briefings, and the publishing of press releases and newsletters.

Shareholder Rights

- Shareholders have the right to appoint Board members and to approve the remuneration of Board members at the Annual General Meeting of Shareholders (AGM).
- Prior shareholder approval is always sought with regard to any material changes which have any affect whatsoever on the equity, economic interests, or share ownership rights of existing shareholders.
- Proper notice is given to shareholders in calling the AGM and includes the main agenda items for the meeting. Over the year these items will include, among others, the approval of financial statements, the approval of dividend payments, and the appointment and terms of the external auditor. All proxy appointments for the purpose of voting are notarised.
- A formal share ownership programme is in place to offer performance incentives to employees and the Board of Directors, and to align their interests with those of the bank's shareholders.

Aligning Employee and Shareholder Interests

In line with our mission to be an employer of choice, Bank Danamon launched an Employee/Management Share Option Plan (E/MSOP) in 2004. The principle objectives included retaining employees whose contributions are essential to the success and prosperity of the bank, and recognising outstanding members of the Board of Directors and senior employees who have contributed to the growth and profitability of the bank.

- Members of the Board of Directors and senior employees are eligible for E/MSOP subject to individual performance conditions set out by the relevant Committees. In order to avoid any conflict of interest, members of the Board of Commissioners will not participate in the E/MSOP as they are responsible for determining the compensation paid to management.
- The bank will grant options to eligible persons to subscribe for the shares of the bank up to a maximum of 5% of the total issued and fully paid up shares in the bank as of 26 March 2004, or in aggregate, 245,346,100 shares Series B, each share having a par value of Rp 500. The total accumulated grants issued in 2004, 2005 and 2006 were 164,125,000 options, 225,196,800 options, and 254,638,300 options respectively. The compensation costs associated with E/MSOP were Rp 37 billion in 2004, Rp109 billion in 2005, and Rp107 billion in 2006 (please refer to Note 5/85 in the Consolidated Financial Statements December 31, 2006, for detailed information).

- Committee I (comprising members of the Board of Commissioners) determines the allocation and distribution of options to eligible members of the bank's Board of Directors, and Committee II (consisting of the members of the Board of Directors) performs the same task in the case of senior employees.
- The Vesting Period is structured such that the options will be vested in stages. The options will continue to be in force for a maximum period of five years commencing from the respective Grant Dates. The option price is reset for every allocation granted to ensure fairness and proper alignment of the interests of employees with all stakeholders.

Code of Conduct

Bank Danamon's Code of Conduct applies to the Board of Commissioners, Board of Directors and employees without exception. The Code serves as a basic guideline for all employees to ensure that relationships among employees, customers and other stakeholders are conducted in the most ethical manner and are free from conflict of interest. All employees must sign to the effect that they accept and understand the Code and will be guided accordingly on an annual basis. The Code is supported with appropriate awareness training, reviewed periodically, and approved by the Boards.

A confidential hotline, also known as a whistleblower programme, is offered to employees to report suspected breaches of the Code of Conduct, or cases of fraud or corruption. Awareness of the hotline is promoted through the internal website, posters and trainings. A Statement of Conduct is in all contracts signed with accredited suppliers to the bank. A confidential hotline is provided to report breaches of conduct by suppliers.

Investment Policy

Bank Danamon has implemented an investment policy governing the personal investment activity of its employees. One stipulation of this policy is the imposition of a black out period in the trading of the bank's securities, 14 working days prior to the release of the bank's results to the public.

Related Party Transaction Policy

Bank Danamon has implemented a related party transaction policy which serves as a guideline for related party transactions. The policy ensures transactions are conducted in a reasonable manner and are based on commercial and market terms. All bank related party transactions are reported to the Compliance Director, who then reviews and carries out a compliance test on those transactions prior to seeking Commissioner approval.

The Proprietary and Confidential Information Policy

In the normal performance of their duties, employees receive and deal with information which, if improperly used or disclosed, may directly or indirectly expose Bank Danamon to unfavorable risks. To prevent this risk, the proprietary and confidential information policy was established, focusing on the proper way of handling proprietary and non-public information by employees. This policy applies to employees of Bank Danamon and its subsidiaries.

Governance Structure

The Board of Commissioners

In addition to the President Commissioner and four Independent Commissioners, there are two other Board members, bringing the total to seven; all of whom are competent professionals with extensive experience and a wide range of expertise, one of which is in risk management. Members of the Board are nominated and elected at the Annual General Meeting of Shareholders (AGM), and serve a term of three years. The current term runs until 2008. Shareholders have the right to suspend and/or change Board members through a vote at the AGM. The aggregate remuneration in Rupiah (gross) of the Board of Commissioners is as follows:

Compensation for the Board of Commissioners and Board of Directors is determined in the following way: management surveys the market to find the compensation for corresponding jobs within similar banking institutions. Individual performance and contribution is then factored in, and a proposal is submitted to the Nomination and Remuneration Committee (NRC) for discussion. Following the consent of the NRC, the proposals are channelled through the Board of Commissioners, before being presented at the AGM for final discussion and approval.

The Board of Commissioners undertakes a supervisory role in monitoring the bank's performance against stated strategy and goals. It also provides oversight on the bank's risk management, its external and internal audit controls and findings (substantially through the work of the Risk and Audit Committees) and ensures the timely disclosure of information required to comply with regulatory requirements. There are regular meetings between Commissioners and Directors and open communication channels are maintained. During the year, the Board of Commissioners held 6 meetings with the Board of Directors and Board of Management (please refer to the table of meetings on page 70).

Independent Commissioners

In accordance with the definitions stated in the prevailing regulations for Bapepam, the Indonesian Capital Market authority, Bank Indonesia regulation No. 8/4/ PBI/2006 and the Jakarta Stock Exchange regulation No. IA, Bank Danamon has appointed four Independent Commissioners who serve the interests of minority shareholders.

In Rupiah	2006	2005
Salary	9,140,431,956	9,074,492,577
Allowance	2,926,502,163	2,991,334,067
Tantiem	TBD*	10,500,000,000

* To be determined at the AGM on March 27, 2007

Board of Commissioners

Ng Kee Choe, President Commissioner
Ng Kee Choe was appointed President Commissioner in the AGMS of May 2006. He has been a Commissioner since March 2004. He is chairman of Singapore Power Limited and NTUC Income Insurance Cooperative. Mr. Ng also sits on the Boards of Singapore Exchange Limited and Singapore Airport Terminal Services Limited. Mr. Ng was Vice Chairman and Director of DBS Group Holdings Ltd until his retirement in June, 2003. He was awarded the Public Service Star Award in August 2001.

Gan Chee Yen, Commissioner
Gan Chee Yen has been a Commissioner since 2003. He graduated with a Bachelor's degree in Accounting from the National University of Singapore. He began his career as an auditor at PricewaterhouseCoopers in May 1984. He joined Showa Leasing (S) Pte Ltd in September 1986. He became Senior Manager in Finance for Singapore Technologies Marine Ltd in 1988 for eight years after which he became the Director for Finance at Singapore Technologies Pte Ltd. He is currently the Senior Managing Director for Investments for Temasek Holdings (Pte) Ltd.

Victor Liew Cheng San, Commissioner
Victor Liew Cheng San has been a Commissioner since March 2004. He currently serves as Corporate Advisor of Temasek Holdings (Pte) Ltd. He joined the Overseas Union Bank in 1980 and retired as Global Head of Markets in 2001. He was involved in the development of the Futures Exchange (SIMEX) since its inception in 1984 and was its Chairman from 1996 to 1999. He continued to serve as Director of the merged exchange (SGX) until 2004. He holds a Bachelor's degree in Social Sciences with Honours from the University of Singapore.

Philip Eng*, Commissioner Candidate
Philip Eng graduated from the University of New South Wales with a Bachelor of Commerce in Accountancy in 1969. He became an Associate Member of the Institute of Chartered Accountants in Australia in 1972. He spent 23 years with the Jardine Cycle & Carriage Group before retiring in February 2005 as Group Managing Director. Mr. Eng is currently Chairman of Accord Customer Care Solutions Limited and City Gas Pte Ltd and Deputy Chairman of MCL Land Limited. He is also Director of Singapore Computer Systems Ltd and Chinese Development Assistance Council.

* Withdrew his appointment as candidate Commissioner as at December 31, 2006, which will be presented at the next Annual General Shareholders' Meeting.

Independent Commissioners

Johanes Berchmans Kristiadi, Vice President, and Independent Commissioner
Dr. Kristiadi has been a Commissioner since 2005. He obtained his PhD from Sorbonne University, France in 1979. He served as Asset Maintenance Director and Budget Director of the Ministry of Finance in the Republic of Indonesia, and the Chairman of the State Administration Institute of the Republic of Indonesia from 1990 to 1998. He served as Assistant V Coordinating Minister of Supervision, Development and State Owned Enterprises until 1999, Deputy IV Minister of State Owned Enterprises until 2001 and Secretary to the Minister of Communication and Information until 2002. He served as the Secretary General to the Department of Finance for the Republic of Indonesia in 2005-2006.

Milan Robert Shuster, Independent Commissioner
Milan Robert Shuster, PhD, has been a Commissioner since 2000. Dr. Shuster received his PhD in International Economics and Law from the University of Oxford. He joined the Asian Development Bank from 1970 until 1974, after which he joined ING Bank. Dr. Shuster later joined the National Bank of Canada from 1979 until 1991. Prior to his appointment as Commissioner, he was the President Director of Bank PDFCI and President Director of Bank Danamon from 1999 until 2000.

Harry Arief Soepardi Sukadis, Independent Commissioner
Harry Arief Soepardi Sukadis has been a Commissioner since 2003. He graduated in Accounting from the University of Padjajaran, Bandung in 1982. He was the General Manager of the Accounting Division for seven years at PT Indosat. Later, in 1993, he became the Accounting and Control Division Manager for PT Semen Cibinong Tbk for seven years. He joined IBRA in 2000, holding various positions including Finance Director.

Manggi Taruna Habir, Independent Commissioner
Manggi Taruna Habir received a Master's degree in Business Administration from the University of Michigan and a Master's in Public Administration from Harvard University. Early in his career he was a business and economic correspondent at the Far Eastern Economic Review and held various key positions at Citibank N.A. Jakarta. Subsequently, he was a Research Director at PT Bahana Securities and the President Director of PT Pefindo. His last position before joining Bank Danamon was Director at Standard & Poor's, Singapore.

The Board of Directors

The Board of Directors encompasses nine Directors as of December 31, 2006 including the President Director and a Director serving in the capacity of Compliance Director. The current Board of Directors, in accordance with protocol, were proposed by the Nomination and Remuneration Committee of the Bank, and are in office until 2008. Shareholders have the right to suspend and/or change members of the Board of Directors through a vote at the AGM.

The Board of Directors is responsible for the day-to-day management of the bank, including the formulation and execution of business plans, annual budgets and policies, the monitoring and managing of risk, the prudent management of the bank's assets, resources and reputation, the recruitment and conduct of bank personnel and the formation and operation of management committees in the day-to-day governance of the bank. The aggregate remuneration in Rupiah (gross) of the Board of Management (Board of Directors and Senior Management) is as follows:

Compliance Director

In accordance with Bank Indonesia's regulations, a Compliance Director was appointed with the responsibility of ensuring that all laws, regulations and requirements of regulatory bodies including Bank Indonesia, the Capital Market Authority and the Stock Exchange are met in a timely and accurate manner. The Compliance Director is also responsible for ensuring that all internal policies and procedures are adhered to at all times. The Compliance Director is not involved in the day to day operations of the bank but has the right of veto in the event that decisions or policies are taken which contravene regulations or laws.

In Rupiah	2006	2005
Salary	28,643,362,491	27,976,596,343
Allowance	8,365,829,831	9,529,343,178
Tantiem	TBD*	46,535,613,215
Stock Option		
(number of shares)	60,622,000	66,135,000

* To be determined at the AGM on March 27, 2007

Board of Directors

Sebastian Paredes, President Director

Sebastian Paredes was appointed President Director on May 9, 2005. He received a Master's degree in International Business Administration from Instituto de Empresa, Madrid, Spain and a Bachelor of Science from California State University, USA. His career in banking, primarily with Citigroup, has spanned more than 20 years. He served as Country Head of Citigroup in Honduras for 2 years and Country Head of Citigroup in Ecuador for 2 years. Subsequently he was appointed CEO of Citigroup in Turkey and Regional Head for Turkey & Israel. Prior to his current position he served as Managing Director and Chief Executive Officer of Citigroup South Africa and Regional Head responsible for Citigroup's businesses in South Africa and Sub-Sahara Africa.

Sebastian Paredes is responsible for all aspects of the financial performance of Bank Danamon and the interests of all shareholders. His role includes the development and oversight of the Bank's strategy as a whole in its business operations including coherent policy development and implementation with respect to governance, enterprise risk management, reputation management and the development of its human resources, information technology and corporate social responsibility.

Jerry Ng, Vice President Director
Jerry Ng was appointed as Vice President Director in May 2005. He has been a member of the Board of Director since 2003. Prior to this, he was Commissioner and Deputy President Director of PT Bank Central Asia Tbk (2000-2002), Deputy Chairman and Advisor to the Chairman of IBRA (2000-2001). He served in several senior executive positions in the Financial Services Division of Astra International Group (1991-2000) namely Deputy President Director of PT Bank Universal, President Director of PT Federal International Finance, and Commissioner of PT Astra Colonial Mutual Group Life. He started his career at Citibank Indonesia, with his last position being Assistant Vice President in Consumer Banking (1986-1991). He received his Bachelor of Business Administration in Finance and Business Economics degree from the University of Washington, and attended various executive development programmes at both Stanford Business School and Harvard Business School. He is also a Fellow of the Eisenhower Fellowship Foundation.

Jerry Ng is responsible for the development of overall strategies in Consumer, SME & Commercial business and Mass Market business, ensuring smooth implementation of the strategies, and the achievement of business unit bottom line performance as well as the overall company performance.

Muliadi Rahardja, Director
Muliadi Rahardja has been a Director of the bank since December 1999. He graduated from the Faculty of Economics, University of Indonesia and earned his MBA from the Massachusetts Institute of Technology in 1998. He started his career in a consulting company in 1983, and joined PT Sepatu Bata Indonesia Tbk in 1984. He joined Lippo Group in 1985 and was responsible for Insurance, Garment and Banking, after serving as Deputy Group Head of MIS. In 1989, he joined Bank Danamon as a Branch Manager in Tangerang. His most recent position was Head of the Corporate Planning and Strategy Division before he was appointed a Director of the bank.

Muliadi Rahardja acts as Strategic Business Partner by aligning HR practices to business priorities. He is responsible for identifying and continuously updating core competencies required by the bank to achieve its business priorities and ensuring that management and employees possess these core competencies through skills development programmes and training. In addition, he is responsible for sustaining a positive Industrial Relations climate by directing open and transparent communications with employees, and being actively involved in all dialogues.

Anika Faisal, Director
Anika Faisal has been a Director of the bank since August 2002. A graduate of the University of Indonesia's Law Faculty, her banking career began with Bank Niaga in 1990, her last post being Legal Division Head. She subsequently joined a law firm in Jakarta before joining IBRA as Executive Assistant to the Chairman. She joined Bank Danamon in 2002 and was the Head of the Legal Division prior to being appointed a Director of the bank. She concurrently serves as Compliance Director.

Anika Faisal's main responsibility is the duty of complying with regulatory requirements as well as advising on all legal matters which affect the company, including national and overseas contracts, employment law and litigation. She is responsible for policy development to ensure that the bank's business is conducted in conformity with the relevant legislation, official requirements, regulatory guidelines and good business practices and prudential regulation based on Good Corporate Governance and the implementation of Know Your Customer (KYC) principles.

Hendarin Sukarmadji, Director
Hendarin Sukarmadji has been a Director of the bank since May 2005. He graduated from the Faculty of Economics, University of Padjajaran Bandung. Prior to joining Bank Danamon, he served as Director of PT Bank Agroniaga Tbk since 2002. He started his banking career with PT Bank Expor Impor Indonesia (Persero) and in a career spanning 25 years with this bank he held senior management positions with the last position as Junior Director. Later, he joined IBRA as Coordinator of Frozen Bank Management Team in 1999.

Hendarin Sukarmadji is responsible for the development and implementation of strategies for the Syariah business unit, and the achievement of business unit bottom line performance.

Ali Yong, Director
Ali Yong was appointed a Director of the bank in May 2006. He has been working for Bank Danamon since 1999 and most recently holds the position of Head of Transactions and Services. He graduated in Mechanical Engineering from the Institute of Technology in Bandung in 1994 and attended the executive development programme of Harvard Business School in 2003. He started his career with Citibank Indonesia as Management Associate and moved to Bank Papan later as Operation Head. Prior to joining Bank Danamon he was on the Management Team at Bank Pos.

Ali Yong is responsible for the development and implementation of overall strategies of Operations, Transaction Services, Cash Management, Trade Finance, and Custodial services.

Vera Eve Lim, Director
Vera Eve Lim was appointed a Director of the bank in June 2006. She has served on the Board of Management and as Chief Financial Officer of the bank since October 2003. She graduated from the Faculty of Economics, Tarumanegara University. Prior to commencing employment with the bank she joined Sinar Mas Dipta Insurance in 1988. She started her career with the bank in 1990 and served as Senior Vice President in charge of financial planning and control prior to her appointment as Chief Financial Officer.

Vera Eve Lim is responsible for directing and overseeing all the financial activities of the bank, which includes the preparation of current financial performance reports, and quarterly financial statements. She also prepares analysis reports regarding potential business opportunities or threats which may impact the bank's performance, as wells as areas of growth afforded by the prevailing economic conditions.

Sanjiv Malhotra, Director
Sanjiv Malhotra was appointed a Director of Bank Danamon in July 2006, and serves as the Head of Integrated Risk Management. He is a member of the Institute of Chartered Accountants of England and Wales and of Ontario, Canada. He has 33 years of international financial experience, having worked in England, Canada, the Philippines, the Indian Sub continent, Thailand and the United Arab Emirates. He has worked with Citigroup for 21 years in multiple locations and multiple businesses. His last appointment was as the Chief Officer of the Citigroup Private Bank in India. His résumé includes Regional Risk Head for Citigroup India, Sri Lanka, Bangladesh and Nepal, Chief Risk Officer for Citigroup Thailand and Regional Risk Manager for Commercial Credit in South Africa, India and Saudi Arabia.

He is responsible for ensuring all Business Groups fully understand and prudently manage the risks in their business, approving the risk parameters and underwriting standards for each Business Group. His role includes constantly monitoring the risks in all portfolios to ensure that any adverse trends are corrected. He serves as a point of contact for the regulators and Board of Commissioners for all risk issues.

Rene Burger, Director
Rene Burger was appointed a Director of the bank in August 2006. He has served as a member of the Board of Management and Head of Corporate Banking and Financial Institutions since October 2003. He earned his Bachelor's degree in Economics and Management from Albion College, Michigan, USA in 1985. He began his career with Citigroup, and spent the next eighteen years in various senior management positions in the United States of America, Germany, Saudi Arabia, Taiwan and the Philippines with his last position as Country Risk Manager and Senior Credit Officer of Citibank N.A. Jakarta, Indonesia. He also served as President Commisioner of Korea Exchange Bank Danamon from April 2004 to October 2005.

Rene Burger is responsible for the development of overall strategies in the Corporate Banking and Financial Institutions business unit, ensuring the smooth implementation of strategies, and the achievement of business unit bottom line performance.

Board of Management

The Board of Management comprises both the Board of Directors and the following Senior Management. The Board of Management is responsible for running key business areas of the bank and reports directly to the President Director.

Lam Kun Kin*, Head of Treasury and Capital Markets
Lam Kun Kin served as a member of the Board of Management and Head of Treasury and Capital Markets from September 2003. He graduated with a Bachelor of Accountancy with Honours from the National University of Singapore in 1986. In 1990, he became a designated Chartered Financial Analyst. He started his career at the Government of Singapore Investment Corporation and left as the Head of Short Term Assets. Afterwards, he joined Citibank N.A Singapore in 1995 as the Treasury Head, Regional Currencies & Derivatives Products. During his time with Citibank he held various senior positions. His last concurrent appointments at Citibank were as the Regional Head of Asia Pacific Financial Markets (Trading Products), Regional Head of Asia JV (FX), Singapore Market Manager, Chairman of Bonds in Singapore, Director of CISBL (Merchant Bank Vehicle).

* Lam Kun Kin resigned effective as of December 31, 2006.

Kanchan Nijasure, Chief Technology Officer

Kanchan Nijasure has served as a member of the Board of Management and Chief Technology Officer since April 2004. Prior to this, he was the Global Technology Head for the Commercial and SME business of Citigroup International in London. Since joining Citigroup in 1987, he has held a number of senior positions in different countries. Prior to that, he worked with Unisys. He graduated in Technology from the Indian Institute of Technology, Bombay, in 1980

Kanchan Nijasure is responsible for designing the bank's IT vision and strategy in close alignment with the business strategy. As part of this responsibility, he has put in place a roadmap to build a world class IT platform for the bank. He is responsible for executing a number of technology initiatives to achieve this goal and to optimize all existing systems to meet the needs of the bank and its customers.

Djemi Suhenda, Business Head Mass Market

Djemi Suhenda was assigned to the Board of Management in September 2006. He has served as Business Head of the Mass Markets with Bank Danamon since 2003. He graduated in Economics with a major in Management from the University of Trisakti in 1989, and attended the Executive Program of Strategy and Organization at the Stanford Business School in 1999. He began his career with Citibank Indonesia in 1989 and left in 1994 as Assistant Vice President and Credit Card Operations Manager. From there he served as Assistant Vice President for Citibank Singapore for one year before becoming Vice President and Retail Banking Operations Head of Bank Universal in 1995. He was appointed Director of Bank Universal in 1999.

Djemi Suhenda is responsible for the Self Employed Mass Market business which includes direct involvement in business planning, sales, risk management, human capital management, market research and operations; and for evaluating, refining and launching new models in the Consumer Mass Market business.

Membership and attendance of key Governance Meetings

Name	Board of Commissioners	Board of Directors	Risk Monitoring Committee	Audit Committee	Nomination & Remuneration Committee	Corporate Governance Committee
	6 meetings	40 meetings	11 meetings	12 meetings	2 meetings	2 meetings
Board of Commissioners						
Sim Kee Boon	2	-		-	-	-
Ng Kee Choe	5	-		-	2	-
Johanes B. Kristiadi	5	-		-	2	1
Harry Arief Soepardi Sukadis	3	-	10	11	2	-
Milan Robert Shuster	5	-	11	11	2	-
Gan Chee Yen	4	-		-	-	2
Victor Liew Cheng San	5	-	11	11	-	-
Manggi Taruna Habir	5	-	11	12	-	2
Risk & Audit Committees						
Setiawan Kriswanto	-	-	11	12	-	-
Hadi Indraprasta	-	-	10	11	-	-
Board of Management						
Sebastian Paredes	-	36	-	-	-	-
Jerry Ng	-	36	-	-	-	-
Muliadi Rahardja	-	39	-	-	-	-
Anika Faisal	-	30	-	-	-	-
Hendarin Sukarmadji	-	36	-	-	-	-
Ali Yong	-	32	-	-	-	-
Vera Eve Lim	-	34	-	-	-	-
Sanjiv Malhotra	-	29	-	-	-	-
Rene Burger	-	31	-	-	-	-
Lam Kun Lin	-	34	-	-	-	-
Kanchan Nijasure	-	30	-	-	-	-
Djemi Suhenda	-	13	-	-	-	-

The minutes of each meeting are drawn up and signed by the Board of Commissioners and Board of Directors and are distributed to all members of both boards, as well as to the meeting attendants and the members who were absent during the meetings. Dissenting opinions are also noted.

Resolutions and policy decisions emanating from the Board of Commissioners / Board of Directors meetings:

Over the course of the year key resolutions and policy decisions were made regarding, inter alia, the 2007 audit plan and 2007 business plan, the approval to change to the new core banking system, the appointment of vendors for the credit card system and IT upgrading initiatives including new

hardware and database vendors, risk management certification programmes, internal credit rating systems, action plans in the event of an influenza pandemic, new procurement and expense policies, the revamping of consumer treasury, and the establishment of the Basel Steering Committee. In addition, the meetings discussed the bank's financial results on a regular basis.

Performance of the Board of Commissioners and Board of Directors

The Board of Commissioners reviews the performance of the Board of Directors as a whole and individually in terms of pre-determined performance indicators. These are clearly defined in terms of specific financial criteria including targets for revenue and costs, number of customers, human resources, including targets for hiring suitably qualified personnel, training (in man-days and by content), attrition rates, and morale and general alignment as measured by the annual employee survey. Process integrity and improvement is also monitored through audit and compliance reports. In addition to the evaluation of individual and group performances as undertaken by the Nomination and Remuneration Committee, shareholders have the right at the AGM to review the performance of both Boards based upon the annual financial report.

Governance Committee Activities in 2006

The following committees met regularly during the year.

The Risk Monitoring Committee

In order to implement BI's Decree number 8/4/PBI/2006 of January 30, 2006 regarding the execution of good corporate governance in a public bank, the Board of Commissioners approved the division into two separate units of the Risk Monitoring Committee and Audit Committee in May, 2006. These two committees are each chaired by an independent commissioner.

The Risk Monitoring Committee evaluates the consistency and adequacy between risk management policies and their implementation; and the actual implementation of those policies. To this end the Risk Monitoring Committee works with the Risk Management Committee and the Risk Management Work Units.

The Audit Committee

The Audit Committee monitors and evaluates audit plans, their implementation, and their results. It is responsible for ensuring the adequacy of internal control and financial reporting processes. It also ensures the smooth implementation of follow up actions on findings by the Internal Audit Work Units, the public accountants, and BI's supervision department, and ensures that the bank's public accountants are in compliance with prevailing accounting standards.

Regarding the appointment of the public accountant, the Audit Committee recommends an accountant to the Board of Commissioners, and that recommendation is subsequently submitted to the Annual General Meeting of Shareholders for formal approval.

The Audit Committee prepares separate monthly reports to the Board of Directors; summaries of the principle conclusions of these reports are included in this annual report.

The composition of both the Risk Monitoring Committee and the Audit Committee until the closing of the Annual General Meeting of Shareholders in 2008 is as follows:

Milan Robert Shuster, Chairman (see Board of Commissioners)
Manggi Taruna Habir, Member (see Board of Commissioners)
Harry Arief Soepardi Sukadis, Member (see Board of Commissioners)
Victor Liew Cheng San, Member (see Board of Commissioners)

Setiawan Kriswanto, Member
Setiawan Kriswanto has been a member of the Audit Committee since 2002. Formerly he was Chairman of the Temporary Management Team Banks at IBRA from 1999. Prior to this he served in senior audit positions at Bank Dagang dan Industri (BDI), the Financial and Development Supervisory Board (BPKP) and in the Ministry of Finance, the Republic of Indonesia (DJKPN). He holds degrees from the Sekolah Tinggi Akuntansi Negara (STAN) Jakarta and Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA) Surabaya and an MM from Krisnadwipayana University (UNKRIS).

Major resolutions and policy decisions emanating from the Risk Committee and the Audit Committee meetings of 2006:

Date	Discussion
May 22	Recommendation to the Board of Commissioners that PricewaterhouseCoopers be re-appointed as the bank's public accountants for 2006.
June 20	Recommendation to the Board of Directors that Ernst & Young be appointed as external consultants to review the Internal Audit process as required by BI Regulation No 1/6/PBI/1999 of September 20, 1999.
October 2	• Recommendation to the Board of Commissioners to divide the RAC into two separate committees: the Risk Committee and the Audit Committee. • Recommendation to the Board of Commissioners to approve the 2007 Internal Audit Plan.
Feb 21, Apr 19, Jul 20, Oct 17	Quarterly approval of Bank Danamon's financial statements.

Hadi Indraprasta, Member
Hadi Indraprasta has been a member of the Audit Committee since May 2004. Prior to this he held a number of senior positions at IBRA from 2000 to 2004. He has held audit and management positions PT Bank Duta and PT Bank Central Asia and commenced his banking career with American Express. He holds a degree from the University of Padjadjaran, Bandung, Faculty of Economics in 1987.

Engagement of an external auditor

The Audit Committee requires an external auditor to confirm that independence standards promulgated by local and overseas regulators and professional bodies have been maintained. The appointment of the auditor is subject to resolutions set at the Annual General Meeting of Shareholders.

The auditors, KAP "Haryanto Sahari & Rekan," members of PricewaterhouseCoopers, continued in office for a 3rd year. The annual financial statements of 2006 were audited at a total cost of Rp 5,270.5 million, including 10% VAT.

Internal Audit

Internal Audit is an independent function reporting directly to the President Director and to the Board of Commissioners via the Audit Committee. Their objective is to provide independent assurance and consulting services which add to and improve the bank's operations. Internal Audit's systematic and disciplined approach assists the bank with the evaluation and improvement of effective risk management, financial control, and governance processes. In doing so, Internal Audit works closely with the Compliance, Risk Management, and Financial Control departments. Internal Audit also works with the External Auditor on matters of mutual interest and coordinates audit efforts.

Internal Audit encompasses all lines of business, product groups and support functions in Head Office, the regional offices and the branches. There are seven regional audit heads, all of whom report directly to Head Office - Internal Audit. Internal Audit has unrestricted access to all functions, records, property and personnel of the bank and its subsidiaries (as per the approved Internal Audit Charter by the President Director and Board of Commissioners). Internal Audit works in compliance with the BI standard for implementation of Internal Audit Functions (SPFAIB) as per BI Regulation No. 1/6/ PBI/1999 dated September 20, 1999.

Audit results will be distributed through an audit report to relevant parties including the President Director, the Integrated Risk Head and the Compliance Director. On a monthly basis, a summary of all audit issues is presented to the Board of Management for constructive discussion. On a separate basis, Internal Audit also holds monthly meetings with the Audit Committee.

Audit activities

In 2006, Internal Audit audited 768 audit entities, 103% of the 2006 audit plan.

		2006 Audit Realization			
Internal Audit Activities	2006 Audit Plan	Semester I	Semester II	Total	% of Plan
Routine Audit					
• Head Office Audit	84	32	52	84	100%
• Conventional & DSP	663	342	342	684	103%
Total Routine Audit	747	374	394	768	103%
Audit Investigations	-	9	12	21	-

The overall acceptable audit rating stands at 70%.

Other activities

In 2006, Internal Audit (SKAI) completed the following other activities:

- External Quality Assurance Review (QAR). Ernst & Young were appointed to undertake an external QAR over Internal Audit activities, as required by SPFAIB. The assessment covered Internal Audit's activities from 2004-2006 and was concluded to conform to not only Bank Indonesia standards, but prevailing international standards.
- Internal Quality Assurance Review.
- Monitored the progress and follow-ups of audit findings.
- Revised Standard Audit Programmes (SAP).
- Revised the Audit Manual.
- Continued to implement Risk Based Auditing.
- Continued to run the Guest Reviewer audit programme.
- Rolled out a Report Writing & Communication Skills training module for all regional audit offices as well as the Adira Group.
- Continued the implementation of audit automation tools (IDEA – Interactive Data Extraction & Analysis) and Team Mate audit software to move towards electronic working papers and a centralized database.

The Nomination and Remuneration Committee

The Committee nominates potential candidates for positions in the Board of Directors. It also facilitates regular appraisals of the Board of Directors with respect to their managerial duties, and in so doing, establishes clear criteria governing the level of skills and number of Directors required, and oversees succession planning. The Committee ensures that remuneration levels are appropriate by virtue of the financial risks, demands and prerequisites of each role, and monitors remuneration policies. The Committee recommends suitable incentive programmes involving bonus payments or ownership of bank shares to the Board of Directors, and ensures information disclosure to the public fully complies with all prevailing regulations.

The composition of the Committee until the closing of the Annual General Meeting of Shareholders of 2008, is as follows:

Ng Kee Choe, Chairman
(see Board of Commissioners)
Milan Robert Shuster, Member
(see Board of Commissioners)
Harry Arief Soepardi Sukadis, Member
(see Board of Commissioners)

Note: In January 2007, JB Kristiadi was appointed Chairman of the NRC, and Ng Kee Choe subsequently acts as a Member of the committee. All committees are now chaired by Independent Commissioners.

Two meetings were held in 2006. The committee recommended that Sanjiv Malhotra be appointed a director, and JB Kristiadi be appointed an Independent Commissioner.

The Corporate Governance Committee

In line with the Board of Commissioners' decision, No.KEP:Kom-Corp.Sec.021, Good Corporate Governance standards have been implemented, and are monitored by the Corporate Governance Committee and the Compliance Director; this includes ensuring sufficient disclosure and transparency, as well ensuring the equitable treatment of all shareholders. The Committee also reviews the Code of Ethics for executives, employees and directors. Topics discussed over the year include the development of the Good Corporate Governance manual, and developments regarding related party transaction policy.

The composition of the Corporate Governance Committee until the closing of the Annual General Meeting of Shareholders of the Bank to be convened in 2008 is as follows:

J.B. Kristiadi, Chairman
(see Board of Commissioners)
Manggi Taruna Habir, Member
(see Board of Commissioners)
Gan Chee Yen, Member
(see Board of Commissioners)
Two Independent Commissioners are represented on this Committee.

Note: In January 2007, Manggi Taruna Habir was appointed Chairman of the Corporate Governance Committee, and subsequently J.B. Kristiadi acts as a Member of the committee.

The Risk Management Committee (RMC) determines the overall risk management policies, strategies and tolerance levels of the bank; as well as credit policies, the credit strategy and the credit limits that the bank imposes on certain borrowers, industries and market segments. It is also responsible for monitoring the implementation and adequate mitigation of risk management. Members of the Committee are the Integrated Risk Head, the President Director, all Business Heads, and the Compliance Director.

The Asset and Liability Management Committee (ALCO) determines the policy and strategy of the bank's assets and liabilities in line with the principles of prudent risk management and applicable regulatory requirements. The focus of ALCO is to ensure that the bank will, at all times, have adequate liquidity and capital to support the operations and development of the bank's franchises. The Committee comprises the Head of Treasury & Capital Market and other senior members of the Board of Management.

The Syariah Financing Policy Committee (SFPC) formulates the policy, strategy and administrative procedures for the financing activities and risk management of Bank Danamon's Syariah Banking Unit, and ensures that standard operating policies and procedures are adequately enforced. Members of the SFPC are the President Director, three Directors, and all members of the Bank Syariah Supervisory Board.

The Credit Committee determines credit policies, credit strategies, and credit limits the bank imposes on certain borrowers, industries and market segments. The Committee comprises of the President Director and other members of the Board of Management.

The Human Resources Committee oversees human resources policies, the bank's Code of Ethics and its implementation. Members of the Committee are the President Director, the Business Heads of Operations, Credit & Compliance, the Board of Directors, as well as the Division Head of Human Resources.

The IT Project Steering Committee reviews and approves IT strategy and different IT projects in view of business and corporate priorities. The President Director is the Chairman of the Committee and its permanent members are President Director, Vice President Director, Chief Technology Officer and Chief Financial Officer. Other Board of Management members are invited depending on the user area and size of investment.

The Syariah Supervisory Board supervises Syariah Banking activities. Members of the Board serve as advisors and counsellors to the Board of Directors, the Head of the Syariah Banking Unit and the General Manager of the Syariah Branch Office in all matters pertaining to Syariah banking products and precepts. This is an independent Board, formed by and responsible to the National Syariah Board (NSB) which operates under the Indonesian Council of Ulemas, and seconded to banks which provide banking services on the basis of Syariah principles with certain rules and regulations provided by the NSB.

The Syariah Supervisory Board of Bank Danamon was formed on February 1, 2002, comprising of:

- **Prof. Dr. H.M. Din Syamsuddin** (Chairman)
- **Drs. Hasanudin, M. Ag** (Member)
- **Ir. H. Adiwarman A. Karim, SE, MBA** (Member)

The Corporate Secretary

The Corporate Secretary serves also as Compliance Director and is responsible for the dissemination and disclosure of all information relating to the performance of the bank in a timely, accurate and transparent manner, and in compliance with standing regulations applicable to the bank as a publicly listed company.

The bank's Corporate Secretary plays a key role in helping the bank adhere to capital market laws, by providing Commissioners and Directors with ongoing guidance on issues such as corporate governance, the bank's Article of Association and the law.

Open and regular dialogue with the investment community is a key part of managing for value.

Mirza Adityaswara of Credit Suisse attended the inaugural Bank Danamon analysts day on November 30, 2006 – here are his comments.

"This has been a first, as far as I know, among listed banks in Indonesia and it is a worthwhile exercise allowing the market to obtain a first hand impression of management's thinking and approach. We get the opportunity to better understand the bank in terms of business models and strategies. In Indonesia, as an emerging but diverse economy, market conditions can and do change quite rapidly and it helps when we have a more in depth view and can talk to business heads directly about their specific markets within the overall picture.

We see Bank Danamon on a quarterly basis and timely presentations through the year assist us to properly value the company. In addition, considering the key role of banks in broader financial markets, there is from time to time regulatory change, and regular dialogue with the bank affords us more opportunity to assess the impact of these changes. We would encourage Bank Danamon to continue to hold such events."

The Corporate Secretary also ensures the quality and currency of information and advice given to Commissioners and Directors on applicable laws and regulations, and ensures that shareholder and Board meetings are organized to the highest of standards.

Public Affairs

The bank's relationships with its internal and external stakeholders are managed through the Public Affairs division. The division maintains a dedicated web portal to serve employees with information pertaining to their welfare and benefits, as well as providing required information to support their daily work.

The bank supplies information to external parties through its website: www.danamon.co.id and carries out activities to build and maintain relationships with the press through workshops, conferences, briefings and media visits. The division also provides support and coordination in the execution of external and internal events, as well as corporate branding guidelines.

Investor Relations

Investor Relations' (IR) central effort is to sustain and improve communications with investors. During 2006, Bank Danamon was active in conducting regular dialogue and exchanges with shareholders, the institutional investment community, and the stock broking community. A variety of communication events were held including formal group and individual meetings, investment conferences, 5 non-deal road shows to update local and overseas investors, 5 conference calls, the internet and the timely publication of results and material events via press releases, bulletins, and the company's web site.

Detailed information regarding quarterly, interim, and full year results are made available through formal presentations and interactive dialogues with local and foreign analysts and investors, as well as through the publication of our Quarterly Investor Newsletter. During 2006, 188 meeting were conducted with analysts, securities firms, investors and correspondent banks.

Public Expose and Analysts' Day

For the first time a two-day Analysts' Event was held in November with the explicit intention of promoting transparency and developing relationships. Bank Danamon is the only bank in Indonesia to have held such an event.

Four public expose events were held over the course of the year. In March, the 2005 year end results were disclosed; April saw the revealing of the 2006 first quarter results; second quarter results were released in July; and third quarter results were disclosed in October.

Road Shows

Five international non-deal road shows were undertaken by Investor Relations and Senior Management to meet foreign investors and present routine performance updates. Updates on current affairs, regulatory issues, macroeconomic conditions and market developments are regularly conducted by Senior Management with investors and securities analysts.

Bank Danamon's IR team was voted the Best Investor Relations Team by Finance Asia in June 2006, and nominated Best Investor Relations in the Singapore Market by IR magazine.

Bank Danamon credit ratings

Rating Agencies	Rating / Outlook	
Standard & Poor's	Long-term / Short-term Local Currency	BB- / Stable / B
	Long-term / Short-term Foreign Currency	BB- / Stable / B
	Subordinated Debt	B / Stable
Moody's	Long-term / Short-term Bank Deposit	B2 / Positive / Not Prime
	Bank Financial Strength	D- / Stable
	Subordinated Debt	Ba3 / Positive
PEFINDO	Corporate Rating	$_{id}$AA- / Stable
	Bond Rating	$_{id}$AA- / Stable
Fitch Ratings	Long-term / Short-term Foreign Currency	BB- / Positive / B
	National Long-term	AA- (idn) / Positive

Material Disclosure & Compliance

The bank is committed to giving all shareholders comprehensive and equal access to information about our activities and obligations to the broader market.

The market disclosure policy governs how the bank communicates with shareholders and the market. This policy is designed to ensure compliance with the Jakarta Stock Exchange (JSX) Listing Rules and the requirements of other exchanges in which the bank is listed. It ensures any information that would reasonably be expected to have a material effect on the price of the bank's securities is disclosed.

The Corporate Secretary ensures compliance with the continuous disclosure requirements in the Listing Rules, and co-ordinates information disclosure to the JSX, analysts, brokers, shareholders, the media and the public.

Guidelines exist for employees and Directors to ensure that unpublished information, which may be price sensitive about the company or any other organisation, is not used in an illegal manner. Restrictions imposed by law and regulations are supplemented by the Board of Directors adopting guidelines which further limit any such dealings by Directors, their spouses, any dependent child, family or related company.

All employees are required to have complete knowledge of the rules and regulations impacting their job responsibilities.

Compliance Division

The Compliance Division assists the Compliance Director in ensuring Bank Danamon fully adheres to all regulatory requirements. A formal function and policy is in place, together with a programme of monitoring business activities and liaison with all relevant external bodies. The Compliance Division advises the Board of Management on all changes in the regulatory framework and is responsible for disseminating this information within the bank.

This section of the report highlights some of the bank's corporate actions, material events and matters of compliance with regulations.

AGM and EGMs

The Annual General Meeting of Shareholders (AGM) was held on May 22, 2006 with the following resolutions passed:

- Approval of the report of the Board of Directors for the fiscal year ending December 31, 2005.
- Approval of the bank's financial statements for the fiscal year ending December 31, 2006.
- Approval for the dividend payment of Rp203.449 per share, which is approximately 50% of the bank's consolidated net profit after tax (NPAT).
- The formal acceptance of the resignation of Sim Kee Boon, who had been the President Commissioner since 2003.
- The formal acceptance of the resignation of Tejpal Hora, who had been a Director since 2004.
- The formal nomination and approval of Ng Kee Choe for the position of President Commissioner.
- The approval of four senior officers to the Board of Directors: Ali Yong, Vera Eve Lim, Sanjiv Maholtra, and Rene Eugene Burger.

Top 25 Debtors

No.	Business Type	Outstanding Amount (in Rp mio)	% of Total Loans	% of Total Capital
1	Food and beverages	750,000	1.8%	6.2%
2	Textiles and garments	317,272	0.8%	2.6%
3	Automotives & components	305,807	0.7%	2.5%
4	Automotives	294,194	0.7%	2.4%
5	Basic metals	269,657	0.6%	2.2%
6	Retail trading	160,000	0.4%	1.3%
7	Telecommunications	132,778	0.3%	1.1%
8	Poultry and animal feeds	130,000	0.3%	1.1%
9	Foods and beverages	127,469	0.3%	1.1%
10	Coal mining	124,789	0.3%	1.0%
11	Textiles and garments	113,400	0.3%	0.9%
12	Basic metals - steel	111,896	0.3%	0.9%
13	Utilities	105,189	0.3%	0.9%
14	Plantation	100,090	0.2%	0.8%
15	Tissue packaging	98,865	0.2%	0.8%
16	Basic metals	95,982	0.2%	0.8%
17	Agriculture	95,000	0.2%	0.8%
18	Services	94,150	0.2%	0.8%
19	Textiles and garments	90,030	0.2%	0.8%
20	Agriculture	90,030	0.2%	0.8%
21	Trading, hotels & restaurants	86,746	0.2%	0.7%
22	Basic metals	85,000	0.2%	0.7%
23	Financial services	82,500	0.2%	0.7%
24	Computers and information technology	77,722	0.2%	0.6%
25	Home appliances	75,904	0.2%	0.6%
	Total	**4,014,470**	**9.5%**	**33.3%**

Outstanding Litigation

The top 5 litigation cases in which Bank Danamon serves as a defendant:

No.	Total Claims	Remarks
1.	Rp 208 billion	• PT. Dharmapala Usaha Sukses (DUS) filed a countersuit against the bank at the South Jakarta District Court to postpone the execution of the loan collateral, to restructure the loan and also claim material damages of Rp 108 billion and immaterial damages of Rp 100 billion. However as of March 8, 2007, the District Court order has approved Bank Danamon to continue with the execution of the loan collateral. • The countersuit was triggered after the bank submitted to the court to execute the collateral of DUS's loans as it defaulted under the loan agreement. The principal of the loans amounted to Rp 165 billion with Rp 55 billion accrued interest and the loans have been fully provided for.
2.	Rp 22 billion	• The case is a dispute about the legal ownership of the bank's property in Bogor branch by Ms. Purna Omsa Hutagalung. • The bank won the case at the High Court Level and the case has been at the Supreme Court as of December 31, 2006.
3.	Rp 8.7 billion	• PT. Triojaya Indah Andalas (TIA) filed a lawsuit against the bank for unlawful act for refusing to execute their fund transfer order. • The bank appealed at the Padang High Court
4.	Rp 5.1 billion	• Koperasi Taxi Indonesia (KTI) filed a lawsuit against the bank for non payment of their deposit. The claim was filed against the bank as a consequence of the merger between the bank with PT Bank Nusa Nasional (BNN). • The bank won the case at District Court Level. • KTI appealed the court's decision at the South Jakarta High Court.
5.	Rp 4.7 billion	• Mr. Tansri Benui filed a countersuit against the bank for the execution of his loan collateral. He had defaulted under the loan agreement. The claim was filed against the bank as a consequence of the merger between the bank with PT Bank Tiara. • The case has been at the Supreme Court Level as of December 31, 2006

Board members' interests in shares

As of December 31, 2006, the total shareholdings held by members of both Boards were less than 0.03% of the bank's ordinary shares during the year. Shares in issue totalled 4,945,757,000.

Share Ownership

Shareholder	Series	Number of shares	Per cent of total shares issued
Sebastian Paredes	B	317,500	0.0064
Jerry Ng	B	220,000	0.0044
Ali Yong	B	699,500	0.0141
Total		**1,237,000**	**0.0249**

Regulatory Compliance

Capital Adequacy Ratio (CAR)

The bank's CAR stood at 20.4% (with market risk charge) as of December 31, 2006, which is above the 8% minimum requirement set by Bank Indonesia.

Non Performing Loans (NPL)

The gross NPL ratio as of December 31, 2006 was 3.3%.

Net Open Position (NOP)

The bank's NOP as of December 31, 2006 was 1.79% compared to the regulation of Bank Indonesia which stipulates a maximum of 20% of equity.

Legal Lending Limit (LLL)

As of December 31, 2006 there were no loans to any individual debtors or group of debtors that did not comply with the LLL requirements of Bank Indonesia.

A change in Bank Indonesia regulations, as of December 31, 2005, left Bank Danamon with an excess of 2.5% in respect of related parties LLL. Bank Danamon resolved this issue within the time-frame set by Bank Indonesian (please refer to Note 50 in the Consolidated Financial Statements, December 31, 2006).

Anti Money Laundering

Bank Danamon is in compliance with money laundering legislation and Bank Indonesia regulations. Specific training courses are carried out to ensure all business and support units are properly briefed and trained on the prevention and recognition of money laundering.

Financial Review

Financial Review

Bank Danamon, as a universal bank, derives its earnings firstly, from providing a comprehensive range of financial services and products to all major segments in the market using a unique business model for each segment, and secondly from trading and investing activities in financial markets as part of its day-to-day activities in managing the entire business portfolio.

The bank places emphasis on the development of high yield loan assets and the use of a combination of third party deposits and structured funding for effective management of the maturity profile of its balance sheet in accord with enterprise risk management parameters.

The operating environment for the most part of 2006 was challenging, marked by weak consumer purchasing power, slower economic growth, high inflation and high interest rates. Weak purchasing power was clearly evident from the sharp drop in new car and motorcycle sales of 40% and 13%, respectively, during the year.

The challenging macro economic condition impacted the real sector as well as the financial sector, with a decline in consumer confidence affecting the demand for credit and a general increase in non-performing loans in the banking sector as a whole. As SBI rates increased and competition escalated for third party deposits the cost of funds also increased.

Notwithstanding the challenging operating environment, Bank Danamon completed 2006 with a solid performance in terms of revenue and earnings.

To provide a clearer picture of the Bank's performance on a normalised (like-for-like) basis, we have included in this analysis references to normalised NPAT, and selected ratios to reflect the bank's fundamental core business performance, net of one-off non recurring items.

Consolidated Key Financial Data
In Rp billion, except ratios in %

	2005	2006	△YoY
Operating Results			
Normalised Net Interest Income	4,603	5,645	22.6%
Normalised Fee Income	1,080	1,358	25.7%
Normalised Operating Income	5,683	7,003	23.2%
Normalised Operating Expenses	(2,909)	(3,428)	17.8%
Normalised Pre-Provisions Operating Profit	2,774	3,575	28.9%
Cost of Credit	(814)	(1,332)	63.6%
Net Profit Before Tax	1,960	2,243	14.4%
Goodwill & Minority Interest	(206)	(202)	(1.9%)
Income Tax	(559)	(652)	16.6%
Normalised NPAT	1,195	1,389	16.2%
Non Recurring Items (After Tax)	808	(63)	(107.8%)
Reported NPAT	2,003	1,325	(33.8%)
Balance Sheets			
Total Assets	67,803	82,073	21.0%
Total Loans	36,757	42,986	16.9%
Total Government Bonds	14,102	18,702	32.6%
Total Deposits	47,089	57,834	22.8%
Total Equity	8,589	9,442	9.9%
Profitability Ratios			
Net Interest Margin	8.9	9.3	0.4
Normalised Cost to Income	51.1	48.9	(2.2)
Normalised ROAA	1.8	1.9	0.1
Normalised ROAE	15.2	16.5	1.3
Reported ROAA	3.1	1.8	(1.3)
Reported ROAE	24.2	15.1	(9.1)
Asset Quality Ratios			
Non Performing Loans / Total Loans	2.6	3.3	0.7
Loan Loss Allowance / Total Loans	2.8	3.3	0.5
Loan Loss Allowance / Non Performing Loans	145.7	141.7	(4.0)
Liabilities Ratios			
Loan to Deposit Ratio	80.8	75.5	(5.3)
Deposits to Total Liabilities	79.8	79.9	0.1
Loans to Total Funding	66.6	63.3	(3.3)
Capital Ratios			
Capital Adequacy Ratio	22.7	20.4	(2.3)
Tier 1 Capital	16.7	15.5	(1.2)
Equity/Assets	12.7	11.5	(1.2)

Net Income

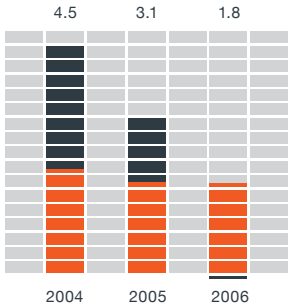
Bank Danamon reported a net profit after tax of Rp 1,325 billion in 2006, a variance of 34% compared to the previous year's profit of Rp 2,003 billion due to the absence of non-recurring items. Extraordinary items were made up from the extraordinary gain on sale of government bonds, coupled with loan recoveries, provision release and write backs. Excluding non-recurring items, normalized net profit after tax rose 16% to Rp 1,389 billion in 2006.

Basic Earnings per Share (EPS) was Rp 268.9 as compared to Rp 407.7 in 2005, while ROAA and ROAE stood at 1.8% and 15.1%, respectively.

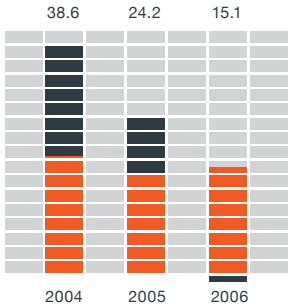
Reported Net Income and Normalized Net Income

Rp billion	2005	2006	△YoY
Normalized Net Income	1,195	1,389	16%
Non Recurring Items	808	(63)	(108%)
Reported Net Income	2,003	1,325	(34%)

Return on Average Assets
In %



Return on Average Equity
In %



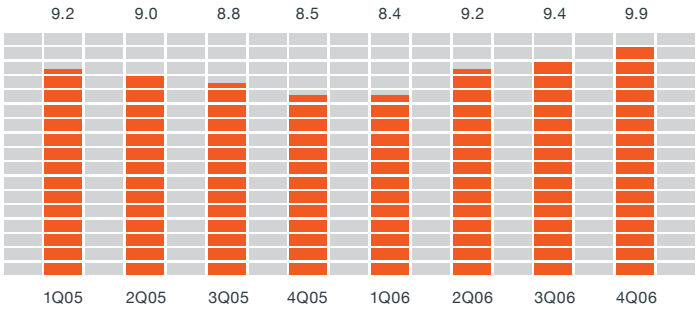
Net Interest Income

Net interest income increased by 23% to Rp 5,645 billion in 2006 supported by an expansion of earning assets and progressive improvement in net interest margin through the year. Interest income rose by 34% to Rp 10,896 billion in 2006 from Rp 8,129 billion in 2005 on the back of 22% earning assets growth and improved earning asset yield.

Loans grew by 17% and contributed over 60% of total interest income in 2006, while government bonds contributed 18% of interest income. The bank's strategy to continue to grow its high yielding businesses improved asset yield from 14.3% in 2005 to 16.6% in 2006.

Interest expense rose by 49% to Rp 5,251 billion in 2006 from Rp 3,526 billion in 2005 in line with higher interest rates during the most part of 2006 as well as a growing funding base. Despite the higher cost of funds, net interest margin widened to 9.3% from 8.9% in the previous year.

Net Interest Margin
In %



Fee Income (Non-Interest Income)

Normalized fee income rose by 26% to Rp 1,358 billion owing to the increase in credit related fees and the consolidation of Adira Insurance and Adira Quantum starting in the second quarter of 2006. Credit card business and lending contributed to over 44% of the increase in fee income in 2006 partly due to the acquisition of the American Express Card franchise. Overall, fee income contributed about 19% of operating income both in 2005 and the year in review.

Operating Expenses

Normalized operating expenses increased by 18% to Rp 3,428 billion compared to Rp 2,909 billion in the previous year. The increase was partly driven by business expansion in the mass-market sector as well as the consolidation of Adira Insurance, Adira Quantum and the American Express Card.

Salaries and employee benefits, which accounted for 55% of total normalized operating expenses, rose by 12% to Rp 1,888 billion due to salary adjustments in response to the high inflation environment during the year and an additional 2,408 head count for business expansion. General and administrative expenses increased by 19% to Rp 1,468 billion as 75 DSP SEMM units were added during the year.

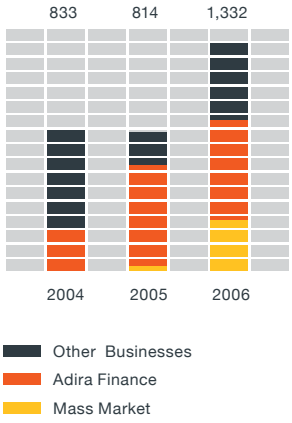
Despite the business expansion, the normalized cost to income ratio improved to 48.9% compared to 51.1% in 2005.

Cost of Credit

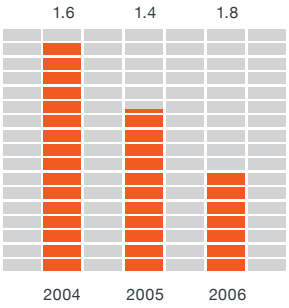
Cost of credit, which includes provision expenses, net write-off and loss on sale of repossessed assets in the consumer auto financing business, amounted to Rp 1,332 billion in 2006 compared to Rp 814 billion in the previous year. This increase was due to a growing and maturing mass market loan portfolio as well as higher non performing loans on the back of the unfavorable operating environment.

The fuel price hike, slower economic growth, high inflation and high interest rates continuing from 2005 into the first half of 2006 adversely impacted the credit quality of loans as reflected by higher non-performing loans in several businesses. However, as the operating environment improved towards the end of year the cost of credit decreased by 23% in the last quarter of 2006 to Rp 263 billion from Rp 343 billion in the previous quarter.

Normalised Cost of Credit
In Rp billion



Cost of Credit/Earning Assets
In %



Financial Position

Total assets at year end increased by 21% to Rp 82,073 billion supported by 17% loan growth and 33% increase in the government bonds portfolio.

Funding rose by 23% to Rp 67,918 billion supported by strong deposit growth. Shareholders' equity increased by 10% to Rp 9,442 billion at the end of year due to increased retained earnings.

	2005		2006		
	Rp billion	**% Total**	**Rp billion**	**% Total**	**△YoY**
Cash	640	0.9%	833	1.0%	30%
Marketable securities	2,490	3.7%	6,031	7.3%	142%
Government bonds	14,102	20.8%	18,702	22.8%	33%
Loans (gross)	36,757	54.2%	42,986	52.4%	17%
Fixed Assets	1,480	2.2%	1,575	1.9%	6%
Others	12,334	18.2%	11,946	14.6%	(3%)
Total Assets	**67,803**	**100.0%**	**82,073**	**100.0%**	**21%**

Outstanding Loans

Bank Danamon achieved loan growth of 17% in 2006 despite the challenging operating environment. Over 56% of the growth was derived from high yielding mass market and consumer auto financing businesses. This compares favorably year-on-year growth of 14% for the banking sector as a whole.

Mass market loans grew by 71% to Rp 6,228 billion and accounted for 14% of the bank's loan book, up from 10% a year ago.

Consumer loans grew by 7% to Rp 16,763 billion supported by the growth in motorcycle loans. Credit card receivables increased by 40% in 2006 following the acquisition of the American Express Card business. As such, consumer loans accounted for 39% of the total loan book. Within the consumer loan portfolio, motorcycle loans made up 54%, car loans 24%, housing loans 7%, credit cards 7% and other consumer loans 8%.

SME loans grew by 11% to Rp 8,354 billion and accounted for 19% of the loan portfolio. Commercial loans expanded by 18% to Rp 5,536 billion, representing 13% of total loan book in 2006. Corporate loans rose by 18% to Rp 6,104 billion, representing the remaining 15% of the total loan book.

Breakdown of loans by segments

	2005		2006		
	Rp billion	**% Total**	**Rp billion**	**% Total**	**△YoY**
Corporate	5,181	14%	6,104	15%	18%
Commercial	4,690	13%	5,536	13%	18%
Small & medium enterprises	7,550	21%	8,354	19%	11%
Consumer	15,686	42%	16,763	39%	7%
Mass Market	3,650	10%	6,228	14%	71%
Total (gross)	**36,757**	**100%**	**42,986**	**100%**	**17%**

The ratio of non-performing loans (NPL) to total loans increased to 3.3% in 2006 from 2.6% a year earlier. NPL in the mass market segment increased to 2.8% at year end from 1.9% a year earlier partly reflecting a maturing loan portfolio. Net NPL remained zero with provision coverage reaching 142% (after taking into account the collateral value) as of December 31, 2006.

Government Bonds

The portfolio of government bonds increased by 33% to Rp 18,702 billon. As such, government bonds now account for 23% of the bank's assets compared to 21% in 2005.

The bank increased the level of fixed rate government bonds in the portfolio towards the end of 2006 to Rp 10,898 billion or 58% of the total bonds. Average duration held was 3.4 years at the end of 2006 as compared to 1.8 years in 2005.

Breakdown of government bonds portfolio

	2005		2006		
	Rp billion	**% Total**	**Rp billion**	**% Total**	**△YoY**
Held to Maturity	7,880	56%	6,687	36%	(15%)
Available for Sale	6,060	43%	11,058	59%	82%
Trading	162	1%	957	5%	491%
Total	**14,102**	**100%**	**18,702**	**100%**	**33%**
Fixed Rate	5,475	39%	10,898	58%	99%
Variable Rate	8,627	61%	7,804	42%	(10%)
Total	**14,102**	**100%**	**18,702**	**100%**	**33%**

Total Funding and Customer Deposits

A strong growth in deposits caused funding to increase by 23%. Current and savings accounts rose by 18% and 14% respectively. Meanwhile time deposits surged by 26%. Altogether they made up 85% of total funding.

The remaining 15% of funding comprised long-term (structured) funding, including senior bonds, subordinated debts, securities sold under repurchase agreements and other borrowings. Bank Danamon and its subsidiaries continue to raise long-term funding to reduce the asset liability maturity mismatch.

The Loan to Funding Ratio decreased to 63% from 67% a year earlier and the Loan to Deposit Ratio also declined from 81% at the end of 2005 to 76% in 2006.

Breakdown of Total Funding

	2005		2006		
	Rp billion	**% Total**	**Rp billion**	**% Total**	**△YoY**
Total Deposits	47,089	85%	57,834	85%	23%
Current Account	4,538	8%	5,337	8%	18%
Savings	8,552	16%	9,713	14%	14%
Time Deposits	33,999	62%	42,784	63%	26%
Long-Term Funding	8,116	15%	10,084	15%	24%
Total Funding	**55,205**	**100%**	**67,918**	**100%**	**23%**

Capital

The bank's capital adequacy ratio (CAR) with market risk charge remains strong at 20.4% as of December 31, 2006 as compared to 22.7% a year earlier. Tier-1 and Tier-2 capital ratio stood at 15.5% and 6.9% as of December 31, 2006, compared to 16.7% and 8.4% on December 31, 2005.

Capitalization, as measured by the equity to asset ratio, stood at 11.5% at the end of 2006 as compared to 12.7% a year earlier due to asset expansion.

Rp billion	**2005**	**2006**	**△YoY**
Tier 1 Capital	7,933	8,371	5%
Tier 2 Capital	3,976	3,702	(7%)
Investment	(1,144)	(1,096)	(4%)
Total Capital after Investment	**10,765**	**10,977**	**2%**
Risk Weighted Assets (inc. market risk)	47,466	53,825	13%
Capital Adequacy Ratio	**22.7%**	**20.4%**	**(2.3%)**
Tier 1 Ratio	16.7%	15.5%	(1.2%)
Tier 2 Ratio	8.4%	6.9%	(1.5%)

Responsibility for Financial Reporting

This Annual Report and the accompanying financial statements and related financial information are the responsibility of the Management of Bank Danamon and have been approved by members of the Board of Directors and the Board of Commissioners whose signatures appear below:

Board of Commissioners

Ng Kee Choe
President Commissioner

Johanes Berchmans Kristiadi
Vice President Commissioner

Milan Robert Shuster
Commissioner

Gan Chee Yen
Commissioner

Harry Arief Soepardi Sukadis
Commissioner

Victor Liew Cheng San
Commissioner

Manggi Taruna Habir
Commissioner

Board of Directors

Sebastian Paredes
President Director

Jerry Ng
Vice President Director

Muliadi Rahardja
Director

Anika Faisal
Director

Hendarin Sukarmadji
Director

Vera Eve Lim
Director

Ali Yong
Director

Sanjiv Malhotra
Director

Rene Burger
Director

PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN / *AND SUBSIDIARIES*

LAPORAN KEUANGAN KONSOLIDASIAN / *CONSOLIDATED FINANCIAL STATEMENTS*

31 DESEMBER / *DECEMBER* 2006, 2005 DAN / *AND* 2004

Bank Danamon

SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN KONSOLIDASIAN
PADA TANGGAL DAN UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2006
PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN

Kami yang bertanda tangan dibawah ini:

1. Nama : J.E. Sebastian Paredes M.
   Alamat Kantor : Menara Bank Danamon Lt 5
   Jl. Prof. Dr. Satrio Kav. E4 No. 6
   Mega Kuningan
   Jakarta 12950
   Alamat Rumah : Duta Indah III, Blok TC 38
   Pondok Indah – Jakarta 12310
   Nomor Telepon : 57991188
   Jabatan : Direktur Utama

2. Nama : Vera Eve Lim
   Alamat Kantor : Menara Bank Danamon Lt 6
   Jl. Prof. Dr. Satrio Kav. E4 No. 6
   Mega Kuningan
   Jakarta 12950
   Alamat Rumah : Komplek Teluk Mas
   Jl. Teluk Gong Raya Blok C4
   No. 20
   Jakarta Utara
   Nomor Telepon : 57991437
   Jabatan : Direktur

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bank Danamon Indonesia Tbk dan Anak Perusahaan;

2. Laporan keuangan konsolidasian PT Bank Danamon Indonesia Tbk dan Anak Perusahaan telah disusun dan disajikan sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia;

3. a. Semua informasi dalam laporan keuangan konsolidasian PT Bank Danamon Indonesia Tbk dan Anak Perusahaan telah dimuat secara lengkap dan benar;

   b. Laporan keuangan konsolidasian PT Bank Danamon Indonesia Tbk dan Anak Perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;

BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2006
PT BANK DANAMON INDONESIA Tbk
AND SUBSIDIARIES

We, the undersigned:

1. *Name* : *J.E. Sebastian Paredes M.*
   Office address : *Menara Bank Danamon 5th FL*
   Jl. Prof. Dr. Satrio Kav. E4 No. 6
   Mega Kuningan
   Jakarta 12950
   Residential address : *Duta Indah III, Blok TC 38*
   Pondok Indah – Jakarta 12310
   Telephone : *57991188*
   Title : *President Director*

2. *Name* : *Vera Eve Lim*
   Office address : *Menara Bank Danamon 6th FL*
   Jl. Prof. Dr. Satrio Kav. E4 No. 6
   Mega Kuningan
   Jakarta 12950
   Residential address : *Komplek Teluk Mas*
   Jl. Teluk Gong Raya Blok C4
   No. 20
   Jakarta Utara
   Telephone : *57991437*
   Title : *Director*

Declare that:

1. *We are responsible for the preparation and presentation of the consolidated financial statements of PT Bank Danamon Indonesia Tbk and Subsidiaries;*

2. *The consolidated financial statements of PT Bank Danamon Indonesia Tbk and Subsidiaries have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;*

3. a. *All information has been disclosed in a complete and truthful manner in PT Bank Danamon Indonesia Tbk and Subsidiaries' consolidated financial statements;*

   b. *The consolidated financial statements of PT Bank Danamon Indonesia Tbk and Subsidiaries do not contain any incorrect information or material facts, nor do they omit information or material facts;*

Bank Danamon

4. Kami bertanggung jawab atas sistem pengendalian internal PT Bank Danamon Indonesia Tbk.

Demikian pernyataan ini dibuat dengan sebenarnya.

4. *We are responsible for the internal control system of PT Bank Danamon Indonesia Tbk.*

This statement has been made truthfully.

Atas nama dan mewakili Direksi / *For and on behalf of the Board of Directors*

J.E. Sebastian Paredes M.
Direktur Utama / *President Director*

Vera Eve Lim
Direktur / *Director*

METERAI TEMPEL
KANTOR PUSAT
JAKARTA

JAKARTA, 5 Pebruari / *February* 2007

Haryanto Sahari & Rekan

A member firm of
PRICEWATERHOUSECOOPERS

Kantor Akuntan Publik
Haryanto Sahari & Rekan
PricewaterhouseCoopers
Jl. H.R. Rasuna Said Kav. X-7 No. 6
Jakarta 12940 - INDONESIA
P.O. Box 2473 JKP 10001
Telephone: +62 21 5212901
Facsimile: +62 21 52905555 / 52905050
www.pwc.com

LAPORAN AUDITOR INDEPENDEN KEPADA PARA PEMEGANG SAHAM

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

PT BANK DANAMON INDONESIA Tbk

Kami telah mengaudit neraca konsolidasian PT Bank Danamon Indonesia Tbk dan Anak Perusahaan tanggal 31 Desember 2006, 2005 dan 2004, dan laporan laba rugi, laporan perubahan ekuitas serta laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal-tanggal tersebut. Laporan keuangan konsolidasian adalah tanggung jawab Manajemen. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan konsolidasian berdasarkan audit kami. Kami tidak mengaudit laporan keuangan Anak Perusahaan untuk tahun yang berakhir pada tanggal 31 Desember 2004 yang total aktivanya 2,7% dari total aktiva konsolidasian pada tanggal 31 Desember 2004 dan total laba bersihnya 12,5% dari total laba bersih konsolidasian untuk tahun yang berakhir pada tanggal tersebut. Laporan keuangan tersebut diaudit oleh auditor independen lain, yang laporannya tertanggal 18 Januari 2005 dengan pendapat wajar tanpa pengecualian telah diserahkan kepada kami dan pendapat kami, sejauh yang berkaitan dengan jumlah-jumlah untuk Anak Perusahaan tersebut, semata-mata hanya berdasarkan atas laporan auditor independen tersebut.

We have audited the accompanying consolidated balance sheets of PT Bank Danamon Indonesia Tbk and Subsidiaries as at 31 December 2006, 2005 and 2004, and the related consolidated statements of income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the Subsidiary for the year ended 31 December 2004 of which the total assets represent 2.7% of the total consolidated assets as at 31 December 2004 and the total net income 12.5% of the total consolidated net income for the year then ended. The Subsidiary's financial statements were audited by another independent auditor whose report, dated 18 January 2005, expressed an unqualified opinion and has been provided to us and our opinion, in so far as it relates to amounts included for the Subsidiary, is based solely on the report of another independent auditor.

Kami melaksanakan audit berdasarkan standar auditing yang ditetapkan Ikatan Akuntan Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar kami memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan, atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan estimasi signifikan yang dibuat oleh Manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin bahwa audit kami memberikan dasar memadai untuk menyatakan pendapat.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Menurut pendapat kami, berdasarkan audit kami dan laporan auditor independen lain yang disebut di atas, laporan keuangan konsolidasian yang disebut di atas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Bank Danamon Indonesia Tbk dan Anak Perusahaan tanggal 31 Desember 2006, 2005 dan 2004 dan hasil usaha, serta arus kas konsolidasian untuk tahun yang berakhir pada tanggal-tanggal tersebut sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia.

In our opinion, based on our audits and report of another independent auditor as mentioned above, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of PT Bank Danamon Indonesia Tbk and Subsidiaries as at 31 December 2006, 2005 and 2004 and the consolidated results of their operations, and cash flows for the years then ended, in conformity with accounting principles generally accepted in Indonesia.

Audit kami dilaksanakan untuk menyatakan pendapat atas laporan keuangan konsolidasian secara keseluruhan. Informasi keuangan tambahan PT Bank Danamon Indonesia Tbk, induk perusahaan saja, pada tanggal dan untuk tahun yang berakhir 31 Desember 2006, 2005 dan 2004, yang terlampir pada lampiran 6/1 sampai 6/9 disajikan untuk tujuan analisa tambahan dan bukan merupakan bagian yang diharuskan dari laporan keuangan konsolidasian. Informasi keuangan tambahan tersebut telah tercakup dalam prosedur audit yang kami lakukan atas audit laporan keuangan konsolidasian dan menurut pendapat kami, dalam segala hal yang material, telah disajikan secara wajar, dalam hubungannya dengan laporan keuangan konsolidasian secara keseluruhan.

Our audits were conducted to form an opinion on the consolidated financial statements taken as a whole. The supplementary financial information on schedules 6/1 to 6/9 in respect of PT Bank Danamon Indonesia Tbk, parent company only, as at and for the years ended 31 December 2006, 2005 and 2004 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such supplementary financial information has been subjected to auditing procedures applied in the audit of the consolidated financial statements and in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

JAKARTA
5 Pebruari / *February* 2007

Drs. Muhammad Jusuf Wibisana, M.Ec., Ak.
Surat Izin Praktek Akuntan Publik / *License of Public Accountant* No 98.1.0189

The accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. Accordingly the accompanying consolidated balance sheets and related consolidated statements of income, and consolidated cash flows and their utilisation are not designed for those who are not informed about Indonesian accounting principles, procedures and practices.

The standards, procedures and practices utilised in Indonesia to audit such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia.

PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN / *AND SUBSIDIARIES*

NERACA KONSOLIDASIAN
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah, kecuali nilai nominal per saham)

CONSOLIDATED BALANCE SHEETS
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah except par value per share)

	Catatan/ *Notes*	2006	2005	2004	
AKTIVA					***ASSETS***
Kas	3	832,583	640,044	753,256	*Cash*
Giro pada Bank Indonesia	4	3,949,723	3,563,314	2,662,100	*Current accounts with Bank Indonesia*
Giro pada bank lain setelah dikurangi penyisihan kerugian sebesar Rp 4.105 pada tahun 2006 (2005: 10.258; 2004: Rp 5.169)	2d,2j,5				*Current accounts with other banks net of allowance for possible losses of Rp 4,105 in 2006 (2005: Rp 10,258; 2004: Rp 5,169)*
- Pihak yang mempunyai hubungan istimewa	2ab, 42a	123,047	31,227	6,440	*Related parties* -
- Pihak ketiga		447,000	1,125,895	639,113	*Third parties* -
Penempatan pada bank lain dan Bank Indonesia setelah dikurangi penyisihan kerugian sebesar Rp 45.330 pada tahun 2006 (2005: Rp 48.655; 2004: Rp 7.264)	2e,2j,6				*Placements with other banks and Bank Indonesia net of allowance for possible losses of Rp 45,330 in 2006 (2005: Rp 48,655; 2004: Rp 7,264)*
- Pihak yang mempunyai hubungan istimewa	2ab, 42b	1,155,661	499,950	183,289	*Related parties* -
- Pihak ketiga		3,830,589	4,903,774	837,516	*Third parties* -
Efek-efek setelah dikurangi penyisihan kerugian sebesar Rp 19.294 pada tahun 2006 (2005: Rp 14.493; 2004: Rp 17.317)	2f,2j,7				*Marketable securities net of allowance for possible losses of Rp 19,294 in 2006 (2005: Rp 14,493; 2004: Rp 17,317)*
- Pihak yang mempunyai hubungan istimewa	2ab, 42c	-	269,403	-	*Related parties* -
- Pihak ketiga		6,012,055	2,206,161	3,228,543	*Third parties* -
Efek yang dibeli dengan janji dijual kembali setelah dikurangi penyisihan kerugian sebesar Rp nihil pada tahun 2006 (2005: Rp nihil; 2004: Rp 205)	2g,2j	-	-	20,245	*Securities purchased under resale agreements net of allowance for possible losses of Rp nil in 2006 (2005: Rp nil; 2004: Rp 205)*
Tagihan derivatif setelah dikurangi penyisihan kerugian sebesar Rp 1.112 pada tahun 2006 (2005: Rp 1.360; 2004: Rp 233)	2h,2j,8				*Derivative receivables net of allowance for possible losses of Rp 1,112 in 2006 (2005: Rp 1,360; 2004: Rp 233)*
- Pihak yang mempunyai hubungan istimewa	2ab,42d	176	34,414	3,263	*Related parties* -
- Pihak ketiga		109,871	100,308	19,723	*Third parties* -
Pinjaman yang diberikan setelah dikurangi penyisihan kerugian sebesar Rp 1.413.329 pada tahun 2006 (2005: 1.017.065; 2004: 1.606.597) dan pendapatan tangguhan sebesar Rp 4.820 pada tahun 2006 (2005: Rp 4.387; 2004: Rp 76.421)	2i,2j,9				*Loans net of allowance for possible losses of Rp 1,413,329 in 2006 (2005: Rp 1,017,065; 2004: Rp 1,606,597) and deferred income of Rp 4,820 in 2006 (2005: Rp 4,387; 2004: Rp 76,421)*
- Pihak yang mempunyai hubungan istimewa	2ab,42e	59,200	130,217	8,283	*Related parties* -
- Pihak ketiga		39,687,444	34,843,645	27,724,292	*Third parties* -
Piutang pembiayaan konsumen setelah dikurangi penyisihan kerugian sebesar Rp 39.111 pada tahun 2006 (2005: Rp 20.864; 2004: Rp 23.808)	2k,10				*Consumer financing receivables net of allowance for possible losses of Rp 39,111 in 2006 (2005: Rp 20,864; 2004: Rp 23,808)*
- Pihak yang mempunyai hubungan istimewa	2ab,42f	14,099	-	-	*Related party* -
- Pihak ketiga		1,768,303	740,446	854,852	*Third parties* -
Piutang premi setelah dikurangi penyisihan kerugian sebesar Rp 569 pada tahun 2006	2l	26,913	-	-	*Premium receivables net of allowance for possible losses of Rp 569 in 2006*
Tagihan akseptasi setelah dikurangi penyisihan kerugian sebesar Rp 6.219 pada tahun 2006 (2005: Rp 5.420; 2004: Rp 5.835)	2m,2j,11	613,057	516,572	517,049	*Acceptance receivables net of allowance for possible losses of Rp 6,219 in 2006 (2005: Rp 5,420; 2004: Rp 5,835)*

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN / *AND SUBSIDIARIES*

NERACA KONSOLIDASIAN
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah, kecuali nilai nominal per saham)

CONSOLIDATED BALANCE SHEETS
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah except par value per share)

	Catatan/ *Notes*	2006	2005	2004	
AKTIVA (lanjutan)					***ASSETS** (continued)*
Obligasi Pemerintah	2f,12	18,702,292	14,102,005	17,324,189	*Government Bonds*
Penyertaan setelah dikurangi penyisihan penurunan nilai investasi sebesar Rp 122 pada tahun 2006 (2005: Rp 122; 2004: Rp 414)	2b,2j,13	12,052	11,958	76,623	*Investments net of allowance for diminution in value of Rp 122 in 2006 (2005: Rp 122; 2004: Rp 414)*
Goodwill setelah dikurangi akumulasi amortisasi sebesar Rp 250.453 pada tahun 2006 (2005: Rp 173.948; 2004: Rp 86.974)	2b,14	417,419	521,841	608,815	*Goodwill net of accumulated amortisation of Rp 250,453 in 2006 (2005: Rp 173,948; 2004: Rp 86,974)*
Aktiva tetap setelah dikurangi akumulasi penyusutan sebesar Rp 936.204 pada tahun 2006 (2005: Rp 753.347; 2004: Rp 631.458)	2n,15	1,574,536	1,480,028	1,297,171	*Fixed assets net of accumulated depreciation of Rp 936,204 in 2006 (2005: Rp 753,347; 2004: Rp 631,458)*
Aktiva pajak tangguhan	2x,23c	40,253	153,734	178,626	*Deferred tax asset*
Beban dibayar di muka dan aktiva lain-lain setelah dikurangi penyisihan kerugian sebesar Rp 20.973 pada tahun 2006 (2005: Rp 2.939; 2004: Rp 4.687)	2o,2p,16	2,696,414	1,928,518	1,877,417	*Prepayments and other assets net of allowance for possible losses of Rp 20,973 in 2006 (2005: Rp 2,939; 2004: Rp 4,687)*
JUMLAH AKTIVA		82,072,687	67,803,454	58,820,805	***TOTAL ASSETS***

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN / *AND SUBSIDIARIES*

NERACA KONSOLIDASIAN
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah, kecuali nilai nominal per saham)

CONSOLIDATED BALANCE SHEETS
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah, except par value per share)

	Catatan/ *Notes*	2006	2005	2004	
KEWAJIBAN DAN EKUITAS					***LIABILITIES AND EQUITY***
KEWAJIBAN					***LIABILITIES***
Kewajiban segera	17	169,151	158,154	112,317	*Obligations due immediately*
Simpanan nasabah:	2q,18				*Deposits from customers:*
- Pihak yang mempunyai hubungan istimewa	2ab,42g	265,748	426,373	646,604	*Related parties -*
- Pihak ketiga		53,928,508	43,924,109	39,636,111	*Third parties -*
Simpanan dari bank lain	2q,19	4,769,254	3,925,961	1,040,445	*Deposits from other banks*
Efek yang dijual dengan janji dibeli kembali	2g,12a	4,000,000	2,875,000	1,000,000	*Securities sold under repurchase agreements*
Pendapatan premi tangguhan	2s	223,580	-	-	*Deferred premium income*
Premi yang belum merupakan pendapatan	2s	138,699	-	-	*Unearned premium reserve*
Kewajiban akseptasi	2m,20	619,276	521,992	522,884	*Acceptance payables*
Obligasi yang diterbitkan	2v,21	1,193,890	495,438	493,422	*Bonds issued*
Pinjaman yang diterima	22	1,028,329	1,114,839	1,294,445	*Borrowings*
Hutang pajak	2x,23a	167,039	153,892	252,123	*Taxes payable*
Penyisihan kerugian atas komitmen dan kontinjensi	2j,41	26,287	83,259	346,432	*Allowance for possible losses on commitments and contingencies*
Kewajiban derivatif	2h,8	184,361	75,485	6,237	*Derivative payables*
Kewajiban pajak tangguhan	2x,23d	139,267	112,334	76,846	*Deferred tax liabilities*
Beban yang masih harus dibayar dan kewajiban lain-lain:	24				*Accruals and other liabilities:*
- Pihak yang mempunyai hubungan istimewa	2ab,42h	-	-	704	*Related party -*
- Pihak ketiga		2,003,480	1,392,860	1,836,966	*Third parties -*
Pinjaman subordinasi	2w, 25	3,373,940	3,628,474	3,469,587	*Subordinated debts*
Modal pinjaman	26	155,000	155,000	155,000	*Loan capital*
JUMLAH KEWAJIBAN		72,385,809	59,043,170	50,890,123	***TOTAL LIABILITIES***
HAK MINORITAS	43	244,951	171,331	126,739	***MINORITY INTEREST***
EKUITAS					***EQUITY***
Modal saham - nilai nominal Rp 50.000 (2005 dan 2004: Rp 50.000) per saham untuk seri A dan Rp 500 (2005 dan 2004: Rp 500) per saham untuk seri B					*Share capital - par value per share Rp 50,000 (2005 and 2004: Rp 50,000) for A series shares and Rp 500 (2005 and 2004: Rp 500) for B series shares*
Modal dasar - 22.400.000 (2005 dan 2004: 22.400.000) saham seri A dan 17.760.000.000 (2005 dan 2004: 17.760.000.000) saham seri B					*Authorised - 22,400,000 (2005 and 2004: 22,400,000) A series shares and 17,760,000,000 (2005 and 2004: 17,760,000,000) B series shares*
Modal ditempatkan dan disetor penuh 22.400.000 (2005 dan 2004: 22.400.000) saham seri A dan 4.923.357.000 (2005: 4.898.494.000 dan 2004: 4.884.522.000) saham seri B	27	3,581,679	3,569,247	3,562,261	*Issued and fully paid 22,400,000 (2005 and 2004: 22,400,000) A series shares and 4,923,357,000 (2005: 4,898,494,000 and 2004: 4,884,522,000) B series shares*
Tambahan modal disetor		374,247	198,770	62,738	*Additional paid-up capital*
Modal disetor lainnya		189	189	189	*Other paid-up capital*
Selisih kurs karena penjabaran laporan keuangan	2c	2,950	3,295	2,718	*Difference in foreign currency translation*
Keuntungan/(kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual	2f, 12a	223,456	(183,074)	798,928	*Unrealised gains/(losses) of available for sale marketable securities and Government Bonds*
Cadangan umum dan wajib	29	68,797	48,765	24,684	*General and legal reserve*
Selisih transaksi perubahan ekuitas Anak Perusahaan	2b	(5,500)	-	-	*Difference in transactions of changes in equity of Subsidiaries*
Saldo laba (setelah defisit sebesar Rp 32.968.831 dieliminasi melalui kuasi-reorganisasi tanggal 1 Januari 2001)	53	5,196,109	4,951,761	3,352,425	*Retained earnings (after deficit of Rp 32,968,831 was eliminated through quasi-reorganisation on 1 January 2001)*
JUMLAH EKUITAS		9,441,927	8,588,953	7,803,943	***TOTAL EQUITY***
JUMLAH KEWAJIBAN DAN EKUITAS		82,072,687	67,803,454	58,820,805	***TOTAL LIABILITIES AND EQUITY***

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN / *AND SUBSIDIARIES*

LAPORAN LABA RUGI KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah, kecuali laba bersih per saham)

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah, except earnings per share)

	Catatan/ *Notes*	2006	2005	2004	
PENDAPATAN DAN BEBAN OPERASIONAL					***INCOME AND EXPENSES FROM OPERATIONS***
Pendapatan bunga	2r,30,42i	10,895,958	8,129,133	6,394,789	*Interest income*
Pendapatan provisi dan komisi	2t,32	788,049	663,780	439,435	*Fees and commissions income*
		11,684,007	8,792,913	6,834,224	
Beban bunga	2r,31,42j	5,251,036	3,526,078	2,376,403	*Interest expense*
Beban provisi dan komisi	2t,32	439,242	356,290	113,968	*Fees and commissions expense*
		5,690,278	3,882,368	2,490,371	
Pendapatan bunga bersih		5,993,729	4,910,545	4,343,853	***Net interest income***
Pendapatan premi	2s	324,339	-	-	*Premium Income*
Beban *underwriting*	2u	(182,615)	-	-	*Underwriting expense*
Pendapatan *underwriting* bersih		141,724	-	-	***Net underwriting income***
Pendapatan bunga dan *underwriting* bersih		6,135,453	4,910,545	4,343,853	***Net interest and underwriting income***
PENDAPATAN OPERASIONAL LAINNYA					***OTHER OPERATING INCOME***
Keuntungan penjualan efek- efek dan Obligasi Pemerintah - bersih	2f,12a	307,275	445,366	430,072	*Gains on sale of marketable securities and Government Bonds - net*
Imbalan jasa	33	797,174	584,628	565,502	*Fees*
Pendapatan dividen		3,512	3,020	508	*Dividend income*
		1,107,961	1,033,014	996,082	
BEBAN OPERASIONAL LAINNYA					***OTHER OPERATING EXPENSES***
Kerugian/(keuntungan) transaksi mata uang asing - bersih	2c,2h	129,111	(133,062)	36,121	*Foreign exchange losses/(gains) - net*
Kerugian/(keuntungan) yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah - bersih	2f	1,276	(1,903)	63,200	*Unrealised losses/(gains) from changes in fair value of marketable securities and Government Bonds - net*
Beban umum dan administrasi	34	1,468,221	1,232,156	939,086	*General and administrative expenses*
Beban tenaga kerja dan tunjangan	2y, 35	1,887,971	1,690,584	1,129,288	*Salaries and employee benefits*
Penyisihan kerugian atas aktiva	2j,5,6,7,8,9, 10,11,13,16	1,025,942	(210,214)	(396,696)	*Allowance for possible losses on assets*
Lain-lain		181,930	91,495	75,485	*Others*
		4,694,451	2,669,056	1,846,484	
PENDAPATAN OPERASIONAL BERSIH		2,548,963	3,274,503	3,493,451	***NET OPERATING INCOME***

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

PT BANK DANAMON INDONESIA Tbk
DAN ANAK PERUSAHAAN / *AND SUBSIDIARIES*

LAPORAN LABA RUGI KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah, kecuali laba bersih per saham)

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah, except earnings per share)

	Catatan/ *Notes*	2006	2005	2004	
PENDAPATAN DAN BEBAN BUKAN OPERASIONAL					***NON-OPERATING INCOME AND EXPENSES***
Pendapatan bukan operasional	36	151,220	223,594	219,484	*Non-operating income*
Beban bukan operasional	37	(596,942)	(499,853)	(334,699)	*Non-operating expenses*
BEBAN BUKAN OPERASIONAL - BERSIH		(445,722)	(276,259)	(115,215)	***NON-OPERATING EXPENSES - NET***
LABA SEBELUM PAJAK PENGHASILAN		2,103,241	2,998,244	3,378,236	***INCOME BEFORE TAX***
PAJAK PENGHASILAN	2x,23b	(652,328)	(875,954)	(894,821)	***INCOME TAX***
LABA SETELAH PAJAK PENGHASILAN		1,450,913	2,122,290	2,483,415	***INCOME AFTER TAX***
HAK MINORITAS ATAS LABA BERSIH ANAK PERUSAHAAN	43	(125,581)	(119,092)	(75,336)	***MINORITY INTEREST IN NET INCOME OF SUBSIDIARIES***
LABA BERSIH		1,325,332	2,003,198	2,408,079	***NET INCOME***
LABA BERSIH PER SAHAM DASAR	2z,40a	268.91	407.71	490.75	***BASIC EARNINGS PER SHARE***
LABA BERSIH PER SAHAM DILUSIAN	2z,40b	265.07	402.59	489.49	***DILUTED EARNINGS PER SHARE***

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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PT BANK DANAMON INDONESIA Tbk
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
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(Expressed in million Rupiah)

	Catatan/ *Notes*	Modal saham/ *Share capital*	Tambahan modal disetor/ *Additional paid-up capital*	Modal disetor lainnya/ *Other paid-up capital*	Selisih kurs karena penjabaran laporan keuangan/ *Difference in foreign currency translation*	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual/ *Unrealised gains/ (losses) of available for sale marketable securities and Government Bonds*	Selisih transaksi perubahan ekuitas Anak Perusahaan/ *Difference in transactions of changes in equity of Subsidiaries*	Cadangan umum dan wajib/ *General and legal reserve*	Saldo laba/ *Retained earnings*	Jumlah ekuitas/ *Total equity*	
Saldo pada tanggal 1 Januari 2004		3,562,261	25,412	189	2,886	754,586	-	9,484	2,467,381	6,822,199	*Balance as at 1 January 2004*
Laba bersih tahun berjalan	28	-	-	-	-	-	-	-	2,408,079	2,408,079	*Net income for the year*
Pembentukan cadangan umum dan wajib	28, 29	-	-	-	-	-	-	15,200	(15,200)	-	*Allocation to general and legal reserve*
Pembagian tantiem	28	-	-	-	-	-	-	-	(19,635)	(19,635)	*Distribution of tantiem*
Selisih kurs karena penjabaran laporan keuangan	2c	-	-	-	(168)	-	-	-	-	(168)	*Difference in foreign currency translation*
Keuntungan yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual	2f	-	-	-	-	44,342	-	-	-	44,342	*Unrealised gains of available for sale marketable securities and Government Bonds*
Beban kompensasi karyawan/ manajemen berbasis saham	2y, 39	-	37,326	-	-	-	-	-	-	37,326	*Compensation costs of employee/ management stock options*
Pembagian dividen tunai	2aa, 28	-	-	-	-	-	-	-	(1,488,200)	(1,488,200)	*Distribution of cash dividend*
Saldo pada tanggal 31 Desember 2004		3,562,261	62,738	189	2,718	798,928	-	24,684	3,352,425	7,803,943	*Balance as at 31 December 2004*

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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	Catatan/ *Notes*	Modal saham/ *Share capital*	Tambahan modal disetor/ *Additional paid-up capital*	Modal disetor lainnya/ *Other paid-up capital*	Selisih kurs karena penjabaran laporan keuangan/ *Difference in foreign currency translation*	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual/ *Unrealised gains/ (losses) of available for sale marketable securities and Government Bonds*	Selisih transaksi perubahan ekuitas Anak Perusahaan/ *Difference in transactions of changes in equity of Subsidiaries*	Cadangan umum dan wajib/ *General and legal reserve*	Saldo laba/ *Retained earnings*	Jumlah ekuitas/ *Total equity*	
Saldo pada tanggal 1 Januari 2005		3,562,261	62,738	189	2,718	798,928	-	24,684	3,352,425	7,803,943	*Balance as at 1 January 2005*
Laba bersih tahun berjalan	28	-	-	-	-	-	-	-	2,003,198	2,003,198	*Net income for the year*
Pembentukan cadangan umum dan wajib	28, 29	-	-	-	-	-	-	24,081	(24,081)	-	*Allocation to general and legal reserve*
Pembagian tantiem	28	-	-	-	-	-	-	-	(52,721)	(52,721)	*Distribution of tantiem*
Selisih kurs karena penjabaran laporan keuangan	2c	-	-	-	577	-	-	-	-	577	*Difference in foreign currency translation*
Kerugian yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual	2f	-	-	-	-	(982,002)	-	-	-	(982,002)	*Unrealised losses of available for sale marketable securities and Government Bonds*
Opsi kepemilikan saham karyawan/ manajemen yang dieksekusi	27, 39	6,986	27,259	-	-	-	-	-	-	34,245	*Employee/management stock options exercised*
Beban kompensasi karyawan/ manajemen berbasis saham	2y, 39	-	108,773	-	-	-	-	-	-	108,773	*Compensation costs of employee/ management stock options*
Pembagian dividen tunai	2aa, 28	-	-	-	-	-	-	-	(327,060)	(327,060)	*Distribution of cash dividend*
Saldo pada tanggal 31 Desember 2005		3,569,247	198,770	189	3,295	(183,074)	-	48,765	4,951,761	8,588,953	*Balance as at 31 December 2005*

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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PT BANK DANAMON INDONESIA Tbk
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	Catatan/ *Notes*	Modal saham/ *Share capital*	Tambahan modal disetor/ *Additional paid-up capital*	Modal disetor lainnya/ *Other paid-up capital*	Selisih kurs karena penjabaran laporan keuangan/ *Difference in foreign currency translation*	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual/ *Unrealised gains/ (losses) of available for sale marketable securities and Government Bonds*	Selisih transaksi perubahan ekuitas Anak Perusahaan/ *Difference in transactions of changes in equity of Subsidiaries*	Cadangan umum dan wajib/ *General and legal reserve*	Saldo laba/ *Retained earnings*	Jumlah ekuitas/ *Total equity*	
Saldo pada tanggal 1 Januari 2006		3,569,247	198,770	189	3,295	(183,074)	-	48,765	4,951,761	8,588,953	*Balance as at 1 January 2006*
Laba bersih tahun berjalan		-	-	-	-	-	-	-	1,325,332	1,325,332	*Net income for the year*
Pembentukan cadangan umum dan wajib	28, 29	-	-	-	-	-	-	20,032	(20,032)	-	*Allocation to general and legal reserve*
Pembagian tantiem	28	-	-	-	-	-	-	-	(59,030)	(59,030)	*Distribution of tantiem*
Selisih kurs karena penjabaran laporan keuangan	2c	-	-	-	(345)	-	-	-	-	(345)	*Difference in foreign currency translation*
Keuntungan yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual bersih setelah pajak	2f	-	-	-	-	406,530	7,430	-	-	413,960	*Unrealised gains of available for sale marketable securities and Government Bonds, net of tax*
Opsi kepemilikan saham karyawan/ manajemen yang dieksekusi	27, 39	12,432	68,343	-	-	-	-	-	-	80,775	*Employee/management stock options exercised*
Beban kompensasi karyawan/ manajemen berbasis saham	2y, 39	-	107,134	-	-	-	-	-	-	107,134	*Compensation costs of employee/ management stock options*
Pembagian dividen tunai	2aa, 28	-	-	-	-	-	-	-	(1,001,922)	(1,001,922)	*Distribution of cash dividend*
Pembagian tantiem Anak Perusahaan	2b	-	-	-	-	-	(12,930)	-	-	(12,930)	*Distribution of Subsidiary's tantiem*
Saldo pada tanggal 31 Desember 2006		3,581,679	374,247	189	2,950	223,456	(5,500)	68,797	5,196,109	9,441,927	*Balance as at 31 December 2006*

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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PT BANK DANAMON INDONESIA Tbk
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CONSOLIDATED STATEMENTS OF CASH FLOWS
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	2006	2005	2004	
Arus kas dari kegiatan operasi:				***Cash flows from operating activities:***
Pendapatan bunga, provisi dan komisi	9,151,794	6,531,019	5,685,253	*Interest income, fees and commissions*
Penerimaan dari transaksi pembiayaan konsumen	10,612,332	8,283,694	4,492,096	*Receipts from consumer financing transactions*
Pemberian transaksi pembiayaan konsumen baru	(9,130,510)	(9,230,126)	(6,129,318)	*Payments for new consumer financing transactions*
Penerimaan dari kegiatan asuransi	204,418	-	-	*Receipts from insurance operation*
Bunga, provisi dan komisi yang dibayar	(6,537,974)	(4,467,864)	(3,000,434)	*Payments of interest, fees and commissions*
Pendapatan operasional lainnya	758,967	681,925	1,031,370	*Other operating income*
(Kerugian)/keuntungan transaksi mata uang asing – bersih	(113,801)	(31,129)	143,798	*Foreign exchange (losses)/gains - net*
Beban operasional lainnya	(3,168,383)	(2,450,864)	(2,270,207)	*Other operating expenses*
Pembagian tantiem	(76,270)	(52,721)	(19,635)	*Distribution of tantiem*
(Beban)/pendapatan bukan operasional - bersih	(379,180)	(305,912)	98,017	*Non-operating (expenses)/income - net*
Laba/(rugi) sebelum perubahan dalam aktiva dan kewajiban	1,321,393	(1,041,978)	30,940	*Income/(loss) before changes in assets and liabilities*
Perubahan dalam aktiva dan kewajiban:				*Changes in assets and liabilities:*
- Penurunan/(kenaikan) aktiva:				*Decrease/(increase) in assets:* -
- Penempatan pada bank lain dan Bank Indonesia	694,059	(4,424,300)	1,346,546	*Placements with other banks and Bank Indonesia* -
- Efek-efek dan Obligasi Pemerintah	(3,574,348)	938,877	133,584	*Marketable securities and Government Bonds* -
- Efek yang dibeli dengan janji dijual kembali	-	20,450	(20,450)	*Securities purchased under resale agreements* -
- Pinjaman yang diberikan	(5,786,881)	(7,127,405)	(9,007,181)	*Loans* -
- Tagihan akseptasi	(97,284)	892	(103,575)	*Acceptance receivables* -
- Pajak dibayar dimuka	-	-	3,727	*Prepaid taxes* -
- Beban dibayar di muka dan aktiva lain-lain	(396,296)	107,782	(470,565)	*Prepayments and other assets* -
- Kenaikan/(penurunan) kewajiban				*Increase/(decrease) in liabilities* -
- Kewajiban segera	10,997	45,837	(1,702)	*Obligations due immediately* -
- Simpanan nasabah:				*Deposits from customers:* -
- Giro	779,553	(755,471)	260,194	*Current accounts* -
- Tabungan	1,159,875	(2,603,334)	(375,892)	*Savings* -
- Deposito berjangka	7,904,346	7,426,572	620,431	*Time deposits* -
- Simpanan dari bank lain	843,293	2,885,516	619,495	*Deposits from other banks* -
- Kewajiban akseptasi	97,284	(892)	103,575	*Acceptance payables* -
- Hutang pajak	29,808	(60,524)	171,757	*Taxes payable* -
- Beban yang masih harus dibayar dan kewajiban lain-lain	165,992	(662,639)	(10,461)	*Accruals and other liabilities* -
- Pajak penghasilan yang dibayar selama tahun berjalan	(706,775)	(914,332)	(714,299)	*Income tax paid during the year* -
- Selisih kurs karena penjabaran laporan keuangan	(345)	577	(168)	*Difference in foreign currency translation* -
Kas bersih diperoleh /(digunakan untuk) dari kegiatan operasi	2,444,671	(6,164,372)	(7,414,044)	***Net cash provided/(used in) from operating activities***

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
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	2006	2005	2004	
Arus kas dari kegiatan investasi:				***Cash flows from investing activities:***
Pembelian Obligasi Pemerintah	(41,870,542)	(7,654,496)	(13,288,446)	*Acquisition of Government Bonds*
Penjualan Obligasi Pemerintah	38,385,991	10,474,513	17,980,946	*Sale of Government Bonds*
Pembelian aktiva tetap	(375,119)	(444,367)	(373,479)	*Acquisition of fixed assets*
Hasil penjualan aktiva tetap	48,976	28,885	130,847	*Proceeds from sale of fixed assets*
Bunga bank dan deposito berjangka	75,876	-	-	*Interest from banks and time deposits*
Penempatan deposito	(63,250)	-	-	*Placement in deposits*
Pembelian efek-efek	(40,485)	-	-	*Acquisition in marketable securities*
Hasil penjualan efek-efek	-	-	17,200	*Proceeds from sale of marketable securities*
Akuisisi Anak Perusahaan dan/atau penurunan penyertaan di Anak Perusahaan	-	-	(850,000)	*Acquisition of the Subsidiaries and/or decrease in investment in Subsidiaries*
Hasil penjualan saham Anak Perusahaan dan perusahaan asosiasi	-	172,181	1,350	*Proceeds from sale of shares in Subsidiaries and associated companies*
Penerimaan dividen	3,330	3,020	8,008	*Dividend income*
Kas bersih (digunakan untuk)/ diperoleh dari kegiatan investasi	(3,835,223)	2,579,736	3,626,426	***Net cash (used in)/provided from investing activities***
Arus kas dari kegiatan pendanaan:				***Cash flows from financing activities:***
(Penurunan)/kenaikan pinjaman yang diterima	(262,343)	122,957	(221,682)	*(Decrease)/increase in borrowings*
Penerimaan pinjaman dalam rangka pembiayaan bersama	7,955,203	9,974,608	13,592,754	*Proceeds from borrowings in relation to joint financing*
Penerimaan dari penerbitan obligasi	750,000	-	-	*Proceeds of bonds issuance*
Pembayaran pinjaman dalam rangka pembiayaan bersama	(7,055,411)	(6,636,969)	(10,329,742)	*Repayments of borrowings in relation to joint financing*
Pembayaran bunga obligasi	(123,312)	(70,625)	(70,625)	*Payments of bonds interest*
Pembayaran biaya emisi obligasi	(4,648)	-	-	*Payments of bonds issuance cost*
Pembayaran pokok obligasi	(15,750)	-	-	*Payments of bonds principal*
Kenaikan/(penurunan) efek yang dijual dengan janji dibeli kembali	1,125,000	1,875,000	-	*Increase/(decrease) in securities sold under repurchase agreements*
Pembagian dividen	(1,061,422)	(401,560)	(1,611,200)	*Distribution of cash dividend*
Opsi kepemilikan saham oleh karyawan/ manajemen yang dieksekusi	80,775	27,259	-	*Employee/management stock options exercised*
(Penurunan)/kenaikan pinjaman subordinasi	(9,282)	(6,463)	2,559,380	*(Decrease)/increase in subordinated debts*
Pembayaran biaya administrasi finansial	(292)	-	-	*Payment of financial administration charge*
Kas bersih diperoleh dari kegiatan pendanaan	1,378,518	4,884,207	3,918,885	***Net cash provided from financing activities***
(Penurunan)/kenaikan bersih kas dan setara kas	(12,034)	1,299,571	131,267	***Net (decrease)/increase in cash and cash equivalents***
Kas dan setara kas pada awal tahun	5,360,480	4,060,909	3,830,598	***Cash and cash equivalents at the beginning of the year***
Saldo kas dan setara kas Anak Perusahaan pada tanggal akuisisi	3,907	-	99,044	***Cash and cash equivalents of the Subsidiaries at the acquisition date***
Kas dan setara kas pada akhir tahun	5,352,353	5,360,480	4,060,909	***Cash and cash equivalents at the end of the year***
Kas dan setara kas terdiri dari:				***Cash and cash equivalents consist of:***
Kas	832,583	640,044	753,256	*Cash*
Giro pada Bank Indonesia	3,949,723	3,563,314	2,662,100	*Current accounts with Bank Indonesia*
Giro pada bank lain - bersih	570,047	1,157,122	645,553	*Current accounts with other banks - net*
Jumlah kas dan setara kas	5,352,353	5,360,480	4,060,909	***Total cash and cash equivalents***

Catatan atas laporan keuangan konsolidasian merupakan bagian tak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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	2006	2005	2004	
Informasi tambahan arus kas:				***Supplemental cash flow information:***
Aktivitas yang tidak mempengaruhi arus kas:				*Activities not affecting cash flows:*
Penambahan aktiva tetap melalui reklasifikasi dari akun uang muka pembelian pinjaman sindikasi	-	-	486,746	***Addition of fixed assets through reclassification from account advance for syndicated loan purchased***

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1. UMUM

a. Pendirian dan informasi umum Bank

PT Bank Danamon Indonesia Tbk (Bank), berkedudukan di Jakarta, didirikan pada tanggal 16 Juli 1956 berdasarkan akta notaris Meester Raden Soedja, S.H. No. 134. Akta pendirian ini disahkan oleh Menteri Kehakiman Republik Indonesia dengan Surat Keputusan No. J.A.5/40/8 tanggal 24 April 1957 dan telah diumumkan dalam Tambahan Berita Negara No. 664, Berita Negara Republik Indonesia No. 46 tanggal 7 Juni 1957.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan, terakhir dengan akta notaris No. 2 tanggal 9 Januari 2007 dibuat dihadapan Hendra Karyadi, S.H. di Jakarta sehubungan dengan penambahan modal disetor dan ditempatkan Bank dalam rangka Program Kompensasi Karyawan/Manajemen Berbasis Saham dan perubahan komposisi pemegang saham Bank. Pada tanggal laporan keuangan ini, perubahan tersebut sedang dalam proses permohonan persetujuan oleh Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia.

Sesuai dengan pasal 3 Anggaran Dasar Bank, ruang lingkup kegiatan Bank adalah menjalankan kegiatan usaha di bidang perbankan sesuai dengan undang-undang dan peraturan yang berlaku, dan melakukan kegiatan perbankan lainnya berdasarkan prinsip Syariah. Bank mulai melakukan kegiatan berdasarkan prinsip Syariah tersebut sejak tahun 2002.

Sejak Maret 2004, Bank mulai melakukan kegiatan usaha mikro dengan nama Danamon Simpan Pinjam.

Bank memperoleh izin usaha sebagai bank umum dan bank devisa masing-masing berdasarkan surat keputusan Menteri Keuangan No. 161259/U.M.II tanggal 30 September 1958 dan surat keputusan Direksi Bank Indonesia No. 21/10/Dir/UPPS tanggal 5 Nopember 1988.

Kantor pusat Bank berlokasi di gedung Menara Bank Danamon Jalan Prof. Dr. Satrio Kav. E4 No. 6 Mega Kuningan, Jakarta. Pada tanggal 31 Desember 2006, Bank mempunyai cabang-cabang dan kantor-kantor pembantu sebagai berikut:

1. GENERAL

a. Establishment and general information of the Bank

PT Bank Danamon Indonesia Tbk (the Bank), domiciled in Jakarta, was established on 16 July 1956 based on a notarial deed No. 134 of Meester Raden Soedja, S.H. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. J.A.5/40/8 dated 24 April 1957 and was published in Supplement No. 664 of the State Gazette No. 46 dated 7 June 1957.

The Bank's Articles of Association have been amended several times, the latest by notarial deed No. 2 dated 9 January 2007 of Hendra Karyadi S.H. in Jakarta in relation to the increase of issued and fully paid shares resulted for Employee/Management Stock Option Program (E/MSOP) and the changes in composition of the Bank's shareholders. At the date of these financial statements, approval from Ministry of Justice and Human Rights of Republic Indonesia for the amendment is in progress.

According to article 3 of the Bank's Articles of Association, its scope of activities are to engage in general banking services in accordance with the prevailing laws and regulations, and to engage in other banking activities based on Syariah principles. The Bank started its activities based on the Syariah principles in 2002.

Since March 2004, the Bank has started to engage in micro business under the brand of Danamon Simpan Pinjam.

The Bank has obtained a license as a commercial bank and a foreign exchange bank based on the decision letter No. 161259/U.M.II of the Minister of Finance dated 30 September 1958 and the decision letter No. 21/10/Dir/UPPS of the Directors of Bank Indonesia dated 5 November 1988, respectively.

The Bank's head office is located in Menara Bank Danamon building on Jalan Prof. Dr. Satrio Kav. E4 No. 6 Mega Kuningan, Jakarta. As at 31 December 2006, the Bank has the following branches and representative offices:

1. UMUM (lanjutan)

a. Pendirian dan informasi umum Bank (lanjutan)

	Jumlah/*Total**	
Kantor cabang domestik	83	*Domestic branches*
Kantor cabang pembantu domestik dan Danamon Simpan Pinjam	993	*Domestic and Danamon Simpan Pinjam supporting branches*
Kantor kas domestik	20	*Domestic cash offices*
Kantor cabang Syariah	10	*Syariah branches*
Kantor cabang luar negeri (Kepulauan Cayman)	1	*Overseas branch (Cayman Islands)*

* sesuai ijin Bank Indonesia / *as approved by Bank Indonesia**

Seluruh kantor cabang, kantor cabang pembantu, kantor kas, dan kantor cabang Syariah berlokasi di berbagai pusat bisnis yang tersebar di seluruh Indonesia.

The branches, supporting branches, cash offices, and Syariah offices are located in various major business centers throughout Indonesia.

b. Penawaran umum saham Bank

Pada tanggal 8 Desember 1989, Bank melakukan Penawaran Umum Perdana atas 12.000.000 saham dengan nilai nominal Rp 1.000 per saham (nilai penuh). Seluruh saham ini telah dicatatkan di Bursa Efek Jakarta pada tanggal 8 Desember 1989.

Setelah itu Bank melakukan penambahan jumlah saham-saham terdaftar melalui saham bonus, Penawaran Umum Terbatas dengan Hak Memesan Efek Terlebih Dahulu (*Right Issues*) I, II dan III, dan dalam rangka Program Kompensasi Karyawan/Manajemen Berbasis Saham.

Berikut adalah kronologis pencatatan saham Bank pada bursa efek di Indonesia sejak Penawaran Umum Perdana:

***1. GENERAL** (continued)*

***a. Establishment and general information of the Bank** (continued)*

b. Public offering of the Bank's shares

On 8 December 1989, the Bank undertook an Initial Public Offering (IPO) of 12,000,000 shares with a par value of Rp 1,000 per share (full amount). These shares were listed on the Jakarta Stock Exchange on 8 December 1989.

Subsequently the Bank increased its listed shares through bonus shares, Limited Public Offerings (Right Issues) I, II and III and through Employee/Management Stock Option Program (E/MSOP).

Following is the chronological overview of the Bank's issued shares on the Indonesian stock exchanges since the Initial Public Offering:

	Saham Seri A/ *A Series Shares*	
Saham yang berasal dari Penawaran Umum Perdana pada tahun 1989	12,000,000	*Shares from Initial Public Offering in 1989*
Saham pendiri	22,400,000	*Founders' shares*
Saham bonus yang berasal dari kapitalisasi tambahan modal disetor-agio saham pada tahun 1992	34,400,000	*Bonus shares from capitalisation of additional paid-in capital – capital paid-in excess of par value in 1992*
Saham yang berasal dari Penawaran Umum Terbatas dengan Hak Memesan Efek Terlebih Dahulu *(Rights Issue) I* pada tahun 1993	224,000,000	*Shares from Limited Public Offering (Rights Issue) I in 1993*
Saham bonus yang berasal dari kapitalisasi tambahan modal disetor-agio saham pada tahun 1995	112,000,000	*Bonus shares from capitalisation of additional paid-up capital – capital paid-in excess of par value in 1995*

1. UMUM (lanjutan)

b. Penawaran umum saham Bank (lanjutan)

***1. GENERAL** (continued)*

***b. Public offering of the Bank's shares** (continued)*

	Saham Seri A/ *A Series Shares*	
Saham yang berasal dari Penawaran Umum Terbatas dengan Hak Memesan Efek Terlebih Dahulu *(Rights Issue) II* pada tahun 1996	560,000,000	*Shares from Limited Public Offering (Rights Issue) II in 1996*
Saham pendiri pada tahun 1996	155,200,000	*Founders' shares in 1996*
Saham yang berasal dari perubahan nilai nominal saham pada tahun 1997	1,120,000,000	*Shares resulting from stock split in 1997*
	2,240,000,000	
Peningkatan nilai nominal saham menjadi Rp 10.000 (nilai penuh) per saham melalui pengurangan jumlah saham *(reverse stock split)* di tahun 2001	: 20 112,000,000	*Increase in par value per share to Rp 10,000 (full amount) per share through reduction in total number of shares (reverse stock split) in 2001*
Peningkatan nilai nominal saham menjadi Rp 50.000 (nilai penuh) per saham melalui pengurangan jumlah saham *(reverse stock split)* di tahun 2003	: 5 22,400,000	*Increase in par value per share to Rp 50,000 (full amount) per share through reduction in total number of shares (reverse stock split) in 2003*
Jumlah saham seri A pada tanggal 31 Desember 2006 (lihat Catatan 27)	22,400,000	*Total A series shares on 31 December 2006 (see Note 27)*

	Saham Seri B/ *B Series Shares*	
Saham yang berasal dari Penawaran Umum Terbatas dengan Hak Memesan Efek Terlebih Dahulu *(Rights Issue) III* pada tahun 1999	215,040,000,000	*Shares from Limited Public Offering (Rights Issue) III in 1999*
Saham yang diterbitkan dalam rangka penggabungan usaha dengan PDFCI pada tahun 1999	45,375,000,000	*Shares issued in connection with the Bank's merger with the former PDFCI in 1999*
Saham yang diterbitkan dalam rangka penggabungan usaha dengan Bank Tiara pada tahun 2000	35,557,200,000	*Shares issued in connection with the Bank's merger with Bank Tiara in 2000*
Saham yang diterbitkan dalam rangka penggabungan usaha dengan 7 BTO* *(Taken-Over Banks)* lainnya pada tahun 2000	192,480,000,000	*Shares issued in connection with the Bank's merger with 7 Taken-Over* Banks (BTOs) in 2000*
	488,452,200,000	
Peningkatan nilai nominal saham menjadi Rp 100 (nilai penuh) per saham melalui pengurangan jumlah saham *(reverse stock split)* di tahun 2001	: 20 24,422,610,000	*Increase in par value per share to Rp 100 (full amount) per share through reduction in total number of shares (reverse stock split) in 2001*
Peningkatan nilai nominal saham menjadi Rp 500 (nilai penuh) per saham melalui pengurangan jumlah saham *(reverse stock split)* di tahun 2003	: 5 4,884,522,000	*Increase in par value per share to Rp 500 (full amount) per share through reduction in total number of shares (reverse stock split) in 2003*
Saham yang diterbitkan dalam rangka program kompensasi karyawan/ manajemen berbasis saham (tahap I) (lihat Catatan 39):		*Shares issued in connection with Employee/ Management Stock Option Program (tranche I) (see Note 39):*
- 2005	13,972,000	*2005 -*
- 2006	24,863,000	*2006 -*
Jumlah saham seri B pada tanggal 31 Desember 2006 (lihat Catatan 27)	4,923,357,000	*Total B series shares on 31 December 2006 (see Note 27)*

* 7 BTO terdiri dari PT Bank Duta Tbk, PT Bank Rama Tbk, PT Bank Tamara Tbk, PT Bank Nusa Nasional Tbk, PT Bank Pos Nusantara, PT Jayabank International dan PT Bank Risjad Salim Internasional.

** 7 BTOs consist of PT Bank Duta Tbk, PT Bank Rama Tbk, PT Bank Tamara Tbk, PT Bank Nusa Nasional Tbk, PT Bank Pos Nusantara, PT Jayabank International and PT Bank Risjad Salim Internasional.*

1. UMUM (lanjutan)

c. Anak Perusahaan

Bank mempunyai kepemilikan langsung pada Anak Perusahaan berikut:

***1. GENERAL** (continued)*

c. Subsidiaries

The Bank has a direct ownership in the following Subsidiaries:

Nama perusahaan/ *Company's name*	Kegiatan usaha/ *Business activity*	Domisili/ *Domicile*	Persentase kepemilikan/ *Percentage of ownership* 2006	2005	2004	Tahun beroperasi komersial/ *Year commercial operations commenced*	Jumlah aktiva/ *Total assets* 2006	2005	2004
PT Adira Dinamika Multi Finance Tbk	Perusahaan Pembiayaan/ *Financing Company*	Indonesia	75%	75 %	75 %	1990	2,906,905	1,633,211	1,598,018
PT Asuransi Adira Dinamika	Perusahaan Asuransi/ *Insurance Company*	Indonesia	90%	-	-	1997	694,450	-	-
PT Adira Quantum Multifinance	Perusahaan Pembiayaan/ *Financing Company*	Indonesia	90%	-	-	2003	27,260	-	-

Pada tanggal 26 Januari 2004, Bank telah menandatangani Perjanjian Jual Beli Bersyarat ("PJBB") untuk mengakuisisi 75% dari jumlah saham yang dikeluarkan PT Adira Dinamika Multi Finance ("ADMF") dengan harga perolehan Rp 850.000. Akuisisi ini diselesaikan tanggal 7 April 2004. Sesuai dengan PJBB ini, Bank berhak atas 75% dari laba bersih ADMF sejak tanggal 1 Januari 2004.

On 26 January 2004, the Bank signed a Conditional Sale and Purchase Agreement ("CSPA") to acquire 75% of the issued shares of PT Adira Dinamika Multi Finance ("ADMF") with a purchase price of Rp 850,000. The closing date of this acquisition was on 7 April 2004. Based on the CSPA, the Bank is entitled to 75% of ADMF's net income starting from 1 January 2004.

Rincian aktiva bersih yang diakuisisi dan *goodwill* pada tanggal akuisisi adalah sebagai berikut:

Details of net assets acquired and goodwill as at aquisition date are as follows:

Jumlah aktiva	1,572,026	*Total assets*
Jumlah kewajiban	(1,241,411)	*Total liabilities*
Aktiva bersih	330,615	*Net assets*
Penyesuaian atas nilai wajar aktiva bersih karena pembayaran dividen	(125,000)	*Adjustment to fair value of net assets due to dividend distribution*
Nilai wajar aktiva bersih (100%)	205,615	*Fair value of net assets (100%)*
Harga perolehan	850,000	*Purchase price*
Nilai wajar aktiva bersih yang diakuisisi (75%)	(154,211)	*Fair value of net assets acquired (75%)*
Goodwill	695,789	*Goodwill*

Goodwill diamortisasi selama 8 tahun.

Goodwill is being amortised over 8 years.

Berdasarkan PJBB, Bank juga memperoleh 90% hak kepemilikan atas perusahaan terafiliasi ADMF, PT Asuransi Adira Dinamika, dan PT Adira Quantum Multifinance; dan 25% kepemilikan atas PT ITC (Itochu) Adira Multi Finance.

Based on the CSPA, the Bank is also entitled to 90% ownership of the affiliated companies of ADMF, PT Asuransi Adira Dinamika, and PT Adira Quantum Multifinance; and 25% ownership of PT ITC (Itochu) Adira Multi Finance.

1. UMUM (lanjutan)

c. Anak Perusahaan (lanjutan)

Kepemilikan atas PT ITC (Itochu) Adira Multi Finance telah dijual di bulan Juni 2005, keuntungan atas penjualan ini dibukukan sebagai pendapatan bukan operasional.

Pada tanggal 26 Januari 2004, Bank juga telah menandatangani Perjanjian *Call Option*, yang terakhir diubah dengan "*Fourth Amendment to the Amended and Restated Call Option Agreement*" tertanggal 22 Desember 2006. Berdasarkan Perjanjian *Call Option* tersebut, Bank berhak untuk membeli sampai dengan 20%, dari total saham yang dikeluarkan oleh ADMF pada harga tertentu yang telah disetujui. *Call option* ini akan jatuh tempo pada tanggal 30 April 2009. Pada tanggal penerbitan *call option,* Bank membayar premi sebesar Rp 186.875 atas *call option* ini dan dicatat sebagai aktiva lain-lain (lihat Catatan 16).

Pada tanggal 22 Nopember 2005, BI memberikan persetujuan formal atas penyertaan modal dengan porsi kepemilikan saham sebesar 95% pada ADMF.

Konsolidasi atas PT Asuransi Adira Dinamika (AI) dan PT Adira Quantum Multifinance (AQ) telah dilakukan sejak April 2006 setelah diperolehnya surat persetujuan atas penyertaan modal dari Bank Indonesia. Pada tanggal laporan keuangan konsolidasian, akta jual beli atas AI dan AQ masih dalam proses.

Konsolidasi AI dan AQ menyebabkan perubahan nilai penyertaan modal pada ADMF dan perubahan nilai buku *goodwill* seperti berikut ini:

***1. GENERAL** (continued)*

***c. Subsidiaries** (continued)*

Ownership of PT ITC (Itochu) Adira Multi Finance has been sold in June 2005, the gain resulting from the sale was recorded as non-operating income.

On 26 January 2004, the Bank also signed a Call Option Agreement, most recently amended by the "Fourth Amendment to the Amended and Restated Call Option Agreement" dated 22 December 2006. Based on the Call Option Agreement, the Bank has a right to purchase up to 20%, of the remaining total issued shares of ADMF at a pre-determined strike price. This call option will expire on 30 April 2009. On the issuance date, the Bank paid a premium of Rp 186,875 for this call option and recognised this as other assets (see Note 16).

As at 22 November 2005, BI gave a formal approval on the 95% ownership investment in ADMF.

Consolidation of PT Asuransi Adira Dinamika (AI) and PT Adira Quantum Multifinance (AQ) has been done starting April 2006 upon receiving written approval for the investment from Bank Indonesia. At the date of these consolidated financial statements, the sale and purchase agreements for AI and AQ are still in process.

Consolidation of AI and AQ caused a change in the investment amount in ADMF and change in net book value of goodwill as calculated follows:

	Perhitungan awal/*Initial calculation*	**Sesudah konsolidasi dengan AI dan AQ/ *After consolidating AI and AQ***				
	ADMF saja/*only*	**ADMF**	**AI**	**AQ**	**Total**	
Harga perolehan	850,000	822,083	19,020	8,897	850,000	*Purchase price*
Nilai wajar aktiva bersih yang diakuisisi	(154,211)	(154,211)	(19,020)	(8,897)	(182,128)	*Fair value of net assets acquired*
Goodwill	695,789	667,872	-	-	667,872	*Goodwill*
Amortisasi per tahun	86,974				83,484	*Amortisation per year*

1. UMUM (lanjutan)

d. Dewan Komisaris dan Direksi

Pada tanggal 31 Desember 2006, susunan Dewan Komisaris dan Direksi Bank adalah sebagai berikut:

Komisaris Utama	Bpk./*Mr.* Ng Kee Choe	*President Commissioner*
Wakil Komisaris Utama	Bpk./*Mr.* J.B. Kristiadi P	*Vice President Commissioner*
Komisaris	Bpk./*Mr.* Milan Robert Shuster	*Commissioner*
Komisaris	Bpk./*Mr.* Manggi Taruna Habir	*Commissioner*
Komisaris	Bpk./*Mr.* Harry Arief Soepardi Sukadis	*Commissioner*
Komisaris	Bpk./*Mr.* Gan Chee Yen	*Commissioner*
Komisaris	Bpk./*Mr.* Liew Cheng San Victor	*Commissioner*
Komisaris	Bpk./*Mr.* Philip Eng*	*Commissioner*
Direktur Utama	Bpk./*Mr.* J.E. Sebastian Paredes M.	*President Director*
Wakil Direktur Utama	Bpk./*Mr.* Jerry Ng	*Vice President Director*
Direktur	Bpk./*Mr.* Muliadi Rahardja	*Director*
Direktur	Ibu/*Ms*. Anika Faisal	*Director*
Direktur	Bpk./*Mr.* Hendarin Sukarmadji	*Director*
Direktur	Bpk./*Mr.* Ali Yong	*Director*
Direktur	Ibu/*Ms*. Vera Eve Lim	*Director*
Direktur	Bpk./*Mr.* Sanjiv Malhotra	*Director*
Direktur	Bpk./*Mr.* Rene Eugene Burger	*Director*

Pada tanggal 31 Desember 2006, Bank dan Anak Perusahaan mempunyai 31.227 karyawan (2005: 28.829 karyawan; 2004: 26.185 karyawan).

* Menarik diri dari penunjukkan dirinya sebagai calon Komisaris pada tanggal 31 Desember 2006, yang mana akan disampaikan melalui Rapat Umum Pemegang Saham (RUPS) Tahunan yang akan datang.

***1. GENERAL** (continued)*

d. Board of Commissioners and Directors

As at 31 December 2006, members of the Bank's Board of Commissioners and the Board of Directors are as follows:

As at 31 December 2006, the Bank and the Subsidiaries have 31,227 employees (2005: 28,829 employees; 2004: 26,185 employees).

* *Withdrew his appointment as candidate Commissioner as at 31 December 2006, which will be presented at the next Annual General Shareholders' Meeting.*

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

Laporan keuangan konsolidasian Bank dan Anak Perusahaan disusun oleh Direksi dan diselesaikan pada tanggal 5 Pebruari 2007.

Kebijakan akuntansi utama yang diterapkan dalam penyusunan laporan keuangan konsolidasian Bank dan Anak Perusahaan adalah seperti dijabarkan dibawah ini:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Bank and Subsidiaries were prepared by the Board of Directors and completed on 5 February 2007.

The principal accounting policies adopted in preparing the consolidated financial statements of the Bank and Subsidiaries are set out below:

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

a. Dasar penyusunan laporan keuangan konsolidasian

Laporan keuangan konsolidasian disusun sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia dan Peraturan No. VIII.G.7 tentang Pedoman Penyajian Laporan Keuangan yang terdapat dalam Lampiran Keputusan Ketua Badan Pengawas Pasar Modal (Bapepam) No. KEP-06/PM/2000 tanggal 13 Maret 2000. Laporan keuangan konsolidasian disusun berdasarkan harga perolehan kecuali yang terkait dengan penilaian kembali atas aktiva tetap sesuai dengan ketentuan pemerintah dan instrumen keuangan tertentu seperti efek yang diperdagangkan dan tersedia untuk dijual serta instrumen derivatif.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas ke dalam kegiatan operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas konsolidasian, kas dan setara kas mencakup kas, giro pada Bank Indonesia dan giro pada bank lain.

Dalam penyusunan laporan keuangan konsolidasian sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia, dibutuhkan estimasi dan asumsi yang mempengaruhi:

- nilai aktiva dan kewajiban dilaporkan, dan pengungkapan atas aktiva dan kewajiban kontinjensi pada tanggal laporan keuangan konsolidasian,
- jumlah pendapatan dan beban selama periode pelaporan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik Manajemen atas kejadian dan tindakan saat ini, hasil yang timbul mungkin berbeda dengan jumlah yang diestimasi semula.

Seluruh angka dalam laporan keuangan konsolidasian ini, kecuali dinyatakan secara khusus, dibulatkan menjadi jutaan Rupiah yang terdekat.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Indonesia and Regulation No. VIII.G.7 regarding Financial Statements Presentation Guidelines included in the Appendix of the Decree of the Chairman of the Capital Market Supervisory Board No. KEP-06/PM/2000 dated 13 March 2000. The consolidated financial statements have been prepared under the historical costs convention as modified by the revaluation of fixed assets which are in accordance with government regulations, and certain financial instruments such as trading and available for sale investment securities, and derivative instruments.

The consolidated statements of cash flows are prepared based on the direct method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash, current accounts with Bank Indonesia and current accounts with other banks.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in Indonesia requires the use of estimates and assumptions that affects:

- *the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements,*
- *the reported amounts of revenues and expenses during the reporting period.*

Although these estimates are based on Management's best knowledge of current events and activities, actual results may differ from those estimates.

Figures in the consolidated financial statements are rounded to and stated in millions of Rupiah unless otherwise stated.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

b. Akuntansi Bank dan Anak Perusahaan

1. Anak Perusahaan

Semua Anak Perusahaan harus dikonsolidasikan. Anak Perusahaan adalah suatu entitas dimana Bank memiliki kepemilikan sebesar lebih dari setengah hak suara atau mampu menentukan kebijakan keuangan dan operasional.

Anak Perusahaan dikonsolidasikan sejak tanggal kendali atas Anak Perusahaan tersebut beralih kepada Bank dan tidak lagi dikonsolidasikan sejak tanggal kendali tidak lagi dimiliki oleh Bank. Dalam mencatat akuisisi Anak Perusahaan digunakan metode pembelian. Biaya akuisisi diukur sebesar nilai wajar aktiva yang diserahkan, saham yang diterbitkan atau kewajiban yang diambil alih pada tanggal akuisisi, ditambah biaya yang berkaitan secara langsung dengan akuisisi. Kelebihan biaya akuisisi atas nilai wajar aktiva bersih Anak Perusahaan dicatat sebagai *goodwill* (lihat Catatan 2b2 untuk kebijakan akuntansi atas *goodwill*). Transaksi signifikan antar Bank dan Anak Perusahaan, saldo dan keuntungan signifikan yang belum direalisasi dari transaksi tersebut, dieliminasi. Kerugian yang belum direalisasi juga dieliminasi, kecuali apabila harga perolehan tidak dapat diperoleh kembali. Jika diperlukan, kebijakan akuntansi Anak Perusahaan diubah agar konsisten dengan kebijakan akuntansi yang diterapkan oleh Bank.

Transaksi ekuitas yang mempengaruhi persentase kepemilikan dan ekuitas Anak Perusahaan dicatat sebagai "Selisih transaksi perubahan ekuitas Anak Perusahaan" dalam bagian ekuitas pada neraca konsolidasian.

Kebijakan akuntansi yang digunakan dalam laporan keuangan konsolidasian, telah diterapkan secara konsisten oleh Anak Perusahaan, kecuali bila dinyatakan lain.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

b. Bank and Subsidiaries accounting

1. Subsidiaries

Subsidiaries, which are those entities in which the Bank has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies, are consolidated.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the Subsidiaries acquired is recorded as goodwill (see Note 2b2 for the accounting policy on goodwill). Significant intercompany transactions, balances and unrealised gains on transactions between Bank and Subsidiaries are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of Subsidiaries have been changed to ensure consistency with the policies adopted by the Bank.

Equity transactions affecting the percentage of ownership and equity of affiliates are shown as "Difference in transactions of changes in equity of Subsidiaries" in the equity section in the consolidated balance sheets.

The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Subsidiaries unless otherwise stated.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

b. Akuntansi Bank dan Anak Perusahaan (lanjutan)

2. *Goodwill*

Goodwill merupakan selisih lebih antara harga perolehan investasi dan bagian Bank atas nilai wajar bersih Anak Perusahaan yang diakuisisi pada tanggal akuisisi. *Goodwill* diamortisasi dengan metode garis lurus selama 8 tahun dengan pertimbangan bahwa estimasi manfaat ekonomis atas *goodwill* tersebut adalah 8 tahun.

c. Penjabaran mata uang asing

1. Mata uang pelaporan

Laporan keuangan konsolidasian dijabarkan dalam mata uang Rupiah, yang merupakan mata uang pelaporan Bank dan Anak Perusahaan.

2. Transaksi dan saldo

Transaksi dalam mata uang asing dijabarkan ke mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada tanggal neraca, aktiva dan kewajiban moneter dalam mata uang asing dijabarkan dengan kurs yang berlaku pada tanggal neraca.

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam mata uang asing dan dari penjabaran aktiva dan kewajiban moneter dalam mata uang asing, diakui pada laporan laba rugi konsolidasian, kecuali apabila ditangguhkan pada bagian ekuitas sebagai lindung nilai arus kas yang memenuhi syarat.

Selisih penjabaran mata uang asing atas efek utang dan aktiva moneter keuangan lain yang diukur berdasarkan nilai wajar dicatat sebagai bagian dari keuntungan dan kerugian selisih kurs. Selisih penjabaran mata uang asing atas unsur-unsur non-moneter seperti efek yang diperdagangkan dilaporkan sebagai bagian dari keuntungan atau kerugian nilai wajar. (Selisih penjabaran mata uang asing atas efek tersedia untuk dijual dicatat ke dalam "keuntungan/(kerugian) yang belum di realisasi dalam kelompok tersedia untuk dijual" dalam ekuitas.)

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***b. Bank and Subsidiaries accounting** (continued)*

2. Goodwill

Goodwill represents the excess of the acquisition cost over the Bank's share of fair value of the acquired subsidiaries' net assets at the date of the acquisition. Goodwill is amortised using the straight line method over a period of 8 years on the basis that the estimated economic benefits of the goodwill is 8 years.

c. Foreign currency translation

1. Reporting currency

The consolidated financial statements are presented in Rupiah, which is the reporting currency of the Bank and Subsidiaries.

2. Transactions and balances

Transactions denominated in a foreign currency are converted into Rupiah at the exchange rate prevailing at the date of the transaction. At the balance sheet date, monetary assets and liabilities in foreign currencies are translated at the exchange rates prevailing at that date.

Exchange gains and losses arising on transactions in foreign currency and on the translation of foreign currency monetary assets and liabilities are recognised in the consolidated statement of income, except when deferred in equity as qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equities held for trading are reported as part of the fair value gain or loss. (Translation differences on available-for-sale equities are included in the " unrealised gains/(losses) of available for sales" in equity.)

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

c. Penjabaran mata uang asing (lanjutan)

3. Kantor cabang luar negeri

Laporan keuangan kantor cabang luar negeri dijabarkan dalam Rupiah, dengan kurs sebagai berikut:

- Aktiva dan kewajiban serta komitmen dan kontinjensi – menggunakan kurs pada tanggal neraca.
- Pendapatan, beban, laba rugi – menggunakan kurs rata-rata yang berlaku pada tanggal transaksi.

Selisih yang timbul dari proses penjabaran laporan keuangan tersebut disajikan pada bagian ekuitas sebagai selisih kurs karena penjabaran laporan keuangan.

Berikut ini adalah kurs mata uang asing utama yang digunakan untuk penjabaran pada tanggal 31 Desember 2006, 2005 dan 2004 yang menggunakan kurs tengah berdasarkan *Reuters* (pukul 16:00 Waktu Indonesia Barat):

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***c. Foreign currency translation** (continued)*

3. Overseas branch

The financial statements of the overseas branch are translated into Rupiah, using the following exchange rates:

- *Assets and liabilities, commitments and contigencies – at the exchange rates prevailing at the balance sheet date.*
- *Revenue, expenses, gains and losses – at the average exchange rate at date of the transaction.*

The resulting translation adjustment is presented in the equity section as difference in foreign currency translation.

Below are the major exchange rates used for translation as at 31 December 2006, 2005 and 2004 using the middle rate based on Reuters (at 16:00 hours Western Indonesian Time):

	2006	2005	2004	
- Dolar Amerika Serikat	9,003	9,830	9,285	*United States Dollars* -
- Dolar Australia	7,118	7,216	7,219	*Australian Dollars* -
- Dolar Singapura	5,868	5,917	5,699	*Singapore Dollars* -
- Euro	11,846	11,643	12,703	*Euro* -
- Yen	76	84	90	*Yen* -

d. Giro pada bank lain

Giro pada bank lain dinyatakan sebesar saldo giro dikurangi dengan penyisihan kerugian.

d. Current accounts with other banks

Current accounts with other banks are stated at the outstanding balance less allowance for possible losses.

e. Penempatan pada bank lain dan Bank Indonesia

Penempatan pada bank lain dinyatakan sebesar saldo penempatan dikurangi dengan penyisihan kerugian.

Penempatan pada Bank Indonesia dinyatakan sebesar penempatan dikurangi pendapatan bunga yang ditangguhkan.

e. Placements with other banks and Bank Indonesia

Placements with other banks are stated at the outstanding balance less allowance for possible losses.

Placements with Bank Indonesia are stated at the outstanding balance less unearned interest income.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

f. Efek-efek dan Obligasi Pemerintah

Efek-efek terdiri dari Sertifikat Bank Indonesia (SBI), investasi dalam unit penyertaan reksa dana, wesel ekspor, pinjaman *exchange offer*, efek hutang lainnya dan obligasi korporasi yang diperdagangkan di bursa efek.

Efek-efek dan Obligasi Pemerintah diklasifikasikan ke dalam kelompok untuk diperdagangkan, tersedia untuk dijual atau dimiliki hingga jatuh tempo.

Efek-efek dan Obligasi Pemerintah yang diklasifikasikan ke dalam kelompok untuk diperdagangkan dinyatakan berdasarkan nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar dilaporkan dalam laporan laba rugi konsolidasian.

Efek-efek dan Obligasi Pemerintah yang diklasifikasikan ke dalam kelompok tersedia untuk dijual dinyatakan berdasarkan nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar disajikan pada bagian ekuitas. Keuntungan atau kerugian yang telah direalisasi pada saat penjualan efek-efek dan Obligasi Pemerintah diakui dalam laporan laba rugi konsolidasian.

Efek-efek dan Obligasi Pemerintah yang diklasifikasikan ke dalam kelompok dimiliki hingga jatuh tempo dinyatakan berdasarkan biaya perolehan setelah ditambah atau dikurangi dengan saldo premi atau diskonto yang belum diamortisasi, dan untuk efek-efek disajikan bersih setelah dikurangi penyisihan kerugian. Amortisasi premi atau diskonto dilakukan berdasarkan metode garis lurus sejak tanggal pembelian sampai dengan tanggal jatuh tempo.

Nilai wajar ditentukan berdasarkan harga pasar yang berlaku. Manajemen akan menentukan nilai wajar efek-efek dan Obligasi Pemerintah berdasarkan model yang dikembangkan secara internal dan estimasi terbaik jika harga pasar yang dapat diandalkan tidak tersedia.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

f. Marketable securities and Government Bonds

Marketable securities consist of Bank Indonesia Certificates (SBI), investments in mutual fund units, trading export bills, exchange offer loans, other debt securities and corporate bonds traded on the stock exchange.

Marketable securities and Government Bonds are classified as either trading, available for sale or held to maturity.

Marketable securities and Government Bonds classified as trading are stated at fair value. Unrealised gains or losses from changes in fair value are credited or charged to the consolidated statement of income.

Marketable securities and Government Bonds classified as available for sale are stated at fair value. Unrealised gains or losses from changes in fair value are presented in the equity section. Gains or losses which are realised or incurred when the marketable securities and Government Bonds are sold are recognised in the consolidated statement of income.

Marketable securities and Government Bonds classified as held to maturity are stated at cost, adjusted for unamortised premiums or discounts and specific for marketable securities are presented net of an allowance for possible losses. Amortisation of premiums and discounts is based on the straight line method over the period from purchase date until maturity.

Fair values are determined on the basis of quoted market prices. Management will determine the fair value of marketable securities and Government Bonds based upon internal models and best estimates, where a reliable market value is not available.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

f. Efek-efek dan Obligasi Pemerintah (lanjutan)

Keuntungan dan kerugian yang direalisasi dari penjualan efek-efek dan Obligasi Pemerintah dihitung berdasarkan metode rata-rata tertimbang harga pembelian untuk efek-efek dan Obligasi Pemerintah dalam kelompok untuk diperdagangkan dan tersedia untuk dijual dan rata-rata tertimbang nilai buku bagi efek-efek dan Obligasi Pemerintah dalam kelompok dimiliki hingga jatuh tempo.

Penurunan nilai wajar dibawah biaya perolehan yang merupakan penurunan nilai investasi yang bersifat permanen dibebankan dalam laporan laba rugi konsolidasian tahun berjalan.

Pemindahan efek-efek antar kelompok dicatat berdasarkan nilai wajar.

g. Efek yang dijual dengan janji dibeli kembali dan efek yang dibeli dengan janji dijual kembali

Efek yang dijual dengan janji dibeli kembali (*repo*) disajikan sebagai kewajiban sebesar harga pembelian kembali yang disepakati dikurangi selisih antara harga jual dan harga beli kembali yang disepakati. Selisih antara harga jual dan harga beli kembali yang disepakati tersebut diamortisasi sebagai beban bunga selama periode sejak efek dijual hingga dibeli kembali.

Efek yang dibeli dengan janji dijual kembali (*reverse repos*) disajikan sebagai tagihan sebesar harga jual kembali efek yang disepakati ditambah selisih antara harga beli dan harga jual kembali. Selisih antara harga beli dan harga jual kembali yang disepakati tersebut diamortisasi sebagai pendapatan bunga selama periode sejak efek dibeli hingga dijual kembali.

h. Instrumen keuangan derivatif

Dalam melakukan usaha bisnisnya, Bank melakukan transaksi instrumen keuangan derivatif seperti kontrak tunai dan berjangka mata uang asing, *swaps* mata uang asing, *cross currency swaps*, kontrak opsi mata uang asing, kontrak opsi obligasi, dan kontrak *future.* Semua instrumen keuangan derivatif (termasuk kontrak tunai mata uang asing sejak tahun 2004) dinilai dan dibukukan di neraca konsolidasian berdasarkan nilai wajarnya dengan menggunakan metode *net present value*.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***f. Marketable securities and Government Bonds** (continued)*

Realised gains and losses from selling of marketable securities and Government Bonds are calculated based on a weighted average purchase price for marketable securities and Government Bonds classified as trading and available for sale and weighted average book price for held to maturity marketable securities and Government Bonds.

The decline in fair value below the acquisition cost which constitutes a permanent decline in investment value is charged to the current period consolidated statement of income.

The transfer of marketable securities between categories is recorded at fair value.

g. Securities sold under repurchase agreements and securities purchased under resale agreements

Securities sold under repurchase agreements (repos) are presented as liabilities and stated at the agreed repurchase price net of the difference between the selling price and agreed repurchase price. The difference between the selling price and agreed repurchase price is amortised as interest expense over the period commencing from the selling date to the repurchase date.

Securities purchased under resale agreements (reverse repos) are presented as receivables and stated at the agreed resale price net of the difference between the purchase price and resale price. The difference between the purchase price and the agreed resale price is amortised as interest income over the period commencing from the acquisition date to the resale date.

h. Derivative financial instruments

In the normal course of business, the Bank enters into transactions involving derivative financial instruments such as foreign currency spot and forward contracts, foreign currency swaps, cross currency swaps, foreign currency options, bond options and future contracts. All derivative instruments (includes foreign currency spot contracts since 2004) are valued and recorded on consolidated balance sheets at their fair value using net present value method.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

h. Instrumen keuangan derivatif (lanjutan)

Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui dalam laporan laba rugi konsolidasian.

i. Pinjaman yang diberikan

Pinjaman yang diberikan dinyatakan sebesar saldo pinjaman dikurangi dengan penyisihan kerugian. Pinjaman dalam rangka pembiayaan bersama (kredit sindikasi) dan penerusan kredit dinyatakan sebesar pokok kredit sesuai dengan porsi risiko yang ditanggung oleh Bank.

Pinjaman yang direstrukturisasi disajikan sebesar nilai yang lebih rendah antara nilai tercatat pinjaman pada tanggal restrukturisasi atau nilai tunai penerimaan kas masa depan setelah restrukturisasi. Kerugian akibat selisih antara nilai tercatat pinjaman pada tanggal restrukturisasi dengan nilai tunai penerimaan kas masa depan setelah restrukturisasi diakui dalam laporan laba rugi konsolidasian.

Pinjaman yang diberikan dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian pinjaman atau hubungan normal antara Bank dan debitur dengan jaminan telah berakhir. Sejak 30 Juni 2005 untuk pinjaman tanpa jaminan atau pinjaman dengan jaminan barang bergerak akan dihapusbukukan setelah menunggak lebih dari 180 hari. Pinjaman yang tidak dapat dilunasi dihapusbukukan dengan mendebit penyisihan kerugian. Pelunasan kemudian atas pinjaman yang telah dihapusbukukan sebelumnya, dikreditkan ke penyisihan kerugian pinjaman di neraca konsolidasian.

Pinjaman yang dibeli dari Badan Penyehatan Perbankan Nasional (BPPN)

Selama 2003, Bank membeli pinjaman dari BPPN. Perlakuan akuntansi atas kredit ini mengacu pada Peraturan Bank Indonesia No. 4/7/PBI/2002 tentang Prinsip kehati-hatian dalam rangka pembelian kredit oleh bank dari BPPN.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***h. Derivative financial instruments** (continued)*

Gains or losses as a result of changes in fair value are recognised in the consolidated statement of income.

i. Loans

Loans are stated at their outstanding balance less an allowance for possible losses. Loans under joint financing (syndicated loans) and channelling loans are stated at the principal amount according to the risk portion assumed by the Bank.

Restructured loans are presented at the lower of carrying value of the loan at the time of restructuring or net present value of the total future cash receipts after restructuring. Losses arising from any excess of the carrying value of the loan at the time of restructuring over the net present value of the total future cash receipts after restructuring, are recognised in the consolidated statement of income.

Loans are written-off when there is no realistic prospect of collection or when Bank's normal relationship with the collateralised borrowers has ceased to exist. Since 30 June 2005 un-collaterised loans and loans with moveable collateral will be written-off after 180 days overdue. When loans are deemed uncollectible, they are written-off against the related allowance for possible losses. Subsequent recoveries are credited to the allowance for possible losses in the consolidated balance sheets.

Loans purchased from Indonesian Bank Restructuring Agency (IBRA)

During 2003, the Bank purchased loans from IBRA. The accounting treatment for these loans follows Bank Indonesia Regulation No. 4/7/PBI/2002 regarding Prudential principles for credits purchased by banks from IBRA.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

i. Pinjaman yang diberikan (lanjutan)

Pinjaman yang dibeli dari Badan Penyehatan Perbankan Nasional (BPPN) (lanjutan)

Menurut peraturan di atas, selisih antara nilai pokok pinjaman dan harga beli dibukukan sebagai penyisihan kerugian pinjaman apabila Bank tidak membuat perjanjian pinjaman baru dengan debitur, dan dibukukan sebagai pendapatan tangguhan apabila Bank membuat perjanjian baru dengan debitur.

Pinjaman yang dibeli dari BPPN pada mulanya digolongkan dalam kualitas lancar dalam jangka waktu 1 tahun sejak saat pembelian. Penilaian kualitas pinjaman yang diberikan setelah jangka waktu 1 tahun sejak saat pembelian didasarkan pada analisa arus kas dan kemampuan membayar debitur. Namun, jika debitur tidak mau bekerjasama sehingga restrukturisasi kelihatan tidak akan terwujud, maka pinjaman akan diklasifikasikan sebagai pinjaman bermasalah walaupun jangka waktu kurang dari 1 tahun.

Penerimaan pembayaran dari debitur harus diakui terlebih dahulu sebagai pengurang pokok kredit dan kelebihan penerimaan pembayaran diakui sebagai pendapatan bunga dalam laporan laba rugi konsolidasian.

Pendapatan bunga atas pinjaman yang dibeli dari BPPN yang belum direstrukturisasi diakui pada saat pendapatan tersebut diterima.

Pinjaman yang tidak direstrukturisasi harus dihapusbukukan apabila dalam masa 5 tahun sejak tanggal pembelian, pinjaman belum dilunasi.

j. Penyisihan kerugian atas aktiva produktif

Aktiva produktif terdiri dari giro pada bank lain, penempatan pada bank lain, efek-efek, efek yang dibeli dengan janji dijual kembali, tagihan derivatif, pinjaman yang diberikan, tagihan akseptasi, penyertaan serta komitmen dan kontinjensi yang mempunyai risiko kredit.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***i. Loans** (continued)*

***Loans purchased from Indonesian Bank Restructuring Agency (IBRA)** (continued)*

Under the above regulation, the difference between the oustanding loan principal and purchase price is booked as an allowance for possible losses if the Bank does not enter into a new credit agreement with the borrower, and as deferred income if the Bank does enter into a new credit agreement.

Loans purchased from IBRA are initially classified as pass for a period of 1 year from the date of purchase. The assessment of the credit quality after 1 year is based on an analysis of debtors' cash flows and repayment ability. However, if a debtor is not cooperative and the restructuring is not likely to occur, loans will be classified as non-performing, eventhough the period is less than 1 year.

Any receipts from borrowers are deducted from the outstanding loan principal first, and any excess is recognised as interest income in the consolidated statement of income.

Interest income on unrestructured loans purchased from IBRA is recognised only to the extent that interest is received in cash.

Unrestructured loans must be written-off if they cannot be recovered during 5 years from the date of purchase.

j. Allowance for possible losses on earning assets

Earning assets include current accounts with other banks, placements with other banks, marketable securities, securities purchased under resale agreements, derivative receivables, loans, acceptance receivables, investments and commitments and contingencies which carry credit risk.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

j. Penyisihan kerugian atas aktiva produktif (lanjutan)

Bank Indonesia menghendaki penyisihan minimum penghapusan atas aktiva produktif sesuai dengan Peraturan Bank Indonesia No. 7/2/PBI/2005 tanggal 20 Januari 2005 tentang "Penilaian Kualitas Aktiva Bank Umum" yang diubah dengan Peraturan Bank Indonesia No 8/2/PBI/2006 tanggal 30 Januari 2006 yang mengklasifikasikan aktiva produktif menjadi lima kategori dengan minimum persentase penyisihan kerugian sebagai berikut:

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***j. Allowance for possible losses on earning assets** (continued)*

Bank Indonesia requires minimum allowances for possible losses on earnings assets in accordance with Bank Indonesia regulation No. 7/2/PBI/2005 dated 20 January 2005, which was amended by Bank Indonesia regulation No 8/2/PBI/2006 dated 30 January 2006 on "Asset Quality Ratings for Commercial Banks" which classifies earning assets into five categories with the following minimum percentage of allowance for possible losses:

Klasifikasi	**Persentase minimum penyisihan kerugian/ *Minimum percentage of allowance for possible losses***	***Classification***
Lancar	1%	*Pass*
Dalam perhatian khusus	5%	*Special mention*
Kurang lancar	15%	*Substandard*
Diragukan	50%	*Doubtful*
Macet	100%	*Loss*

Persentase di atas berlaku untuk aktiva produktif dikurangi nilai agunan, kecuali untuk aktiva produktif yang dikategorikan sebagai lancar, dimana persentasenya berlaku langsung atas saldo yang tersisa. Mulai tahun 2005, untuk aktiva produktif yang dikategorikan sebagai dalam perhatian khusus, persentase di atas berlaku atas saldo aktiva produktif dikurangi nilai agunan.

The above percentages are applied to earning assets less the collateral value, except for earning assets categorised as pass, where the rates are applied directly to the outstanding balance. Since 2005, for earning assets categorised as special mention, the above percentage is applied to the outstanding balance of earning assets less collateral value.

Aktiva produktif dengan klasifikasi lancar dan dalam perhatian khusus, sesuai dengan peraturan Bank Indonesia digolongkan sebagai aktiva produktif tidak bermasalah. Sedangkan untuk aktiva produktif dengan klasifikasi kurang lancar, diragukan, dan macet digolongkan sebagai aktiva produktif bermasalah.

Earning assets classified as pass and special mention are considered as performing earning assets in accordance with Bank Indonesia regulations. Non-performing assets consist of assets classified as substandard, doubtful, and loss.

Penyisihan khusus terhadap pinjaman bermasalah dihitung berdasarkan kemampuan debitur dalam membayar hutang. Penyisihan khusus dibuat ketika timbul keraguan akan kemampuan debitur dalam membayar dan menurut pertimbangan Manajemen, estimasi jumlah yang akan diperoleh kembali dari debitur berada di bawah jumlah pokok dan bunga pinjaman yang belum terbayar. Mulai 30 Juni 2005, Bank memperhitungkan jaminan yang diperbolehkan sesuai dengan Peraturan Bank Indonesia No. 7/2/PBI/2005 tanggal 20 Januari 2005 yang diubah dengan Peraturan Bank Indonesia No. 8/2/PBI/2006 tanggal 30 Januari 2006 dalam menghitung penyisihan kerugian kecuali untuk pinjaman dalam kategori lancar.

Specific provisions for non-performing loans are calculated based on the borrower's debt servicing capacity. Specific provisions are made as soon as the debt servicing of the loan is questionable and the Management considers that the estimated recovery from the borrower is likely to fall short from the amount of principal and interest outstanding. Starting 30 June 2005, the Bank considered allowable collateral in accordance with Bank Indonesia regulation No. 7/2/PBI/2005 dated 20 January 2005, which was amended by Bank Indonesia Regulation No. 8/2/PBI/2006 dated 30 January 2006 when calculating the allowance for possible losses, except for loans with pass classification.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

j. Penyisihan kerugian atas aktiva produktif (lanjutan)

Penyisihan umum dibentuk untuk kerugian yang belum teridentifikasi namun diperkirakan mungkin terjadi berdasarkan pengalaman masa lalu, dari keseluruhan portofolio pinjaman. Termasuk dalam penyisihan umum adalah penyisihan 1% seperti yang dikehendaki oleh peraturan Bank Indonesia untuk aktiva produktif dengan klasifikasi lancar.

Penyisihan kerugian atas komitmen dan kontinjensi disajikan sebagai kewajiban di neraca konsolidasian.

k. Piutang pembiayaan konsumen

Piutang atas pembiayaan konsumen Anak Perusahaan merupakan jumlah piutang setelah dikurangi dengan bagian pembiayaan bersama, pendapatan pembiayaan konsumen yang belum diakui dan penyisihan kerugian piutang.

Pendapatan pembiayaan konsumen yang belum diakui merupakan selisih antara jumlah keseluruhan pembayaran angsuran yang akan diterima dari konsumen dan jumlah pokok pembiayaan, yang diakui sebagai penghasilan sepanjang jangka waktu kontrak berdasarkan suatu tarif pengembalian konstan yang dihitung secara berkala atas piutang pembiayaan bersih terhitung sejak pembiayaan konsumen dilakukan.

Piutang pembiayaan konsumen yang menunggak lebih dari 90 hari diklasifikasikan sebagai *non-performing* dan pendapatan bunganya diakui pada saat pendapatan tersebut diterima *(cash-basis)*. Pada saat piutang pembiayaan konsumen diklasifikasikan sebagai *non-performing*, pendapatan pembiayaan konsumen yang telah diakui tetapi belum tertagih dibatalkan pengakuannya.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***j. Allowance for possible losses on earning assets** (continued)*

General provisions are maintained for losses that are not yet identified but can reasonably be expected to arise, based on historical experience, from the existing overall loan portfolio. Included in the general provision is the 1% provision required under Bank Indonesia regulations for earning assets classified as pass.

The allowance for possible losses on commitments and contingencies is presented in the liability section of the consolidated balance sheets.

k. Consumer financing receivables

The Subsidiaries' consumer financing receivables are stated net of joint financing, unearned consumer financing income and allowance for possible losses.

Unearned consumer financing income is the difference between total instalments to be received from consumers and total financing which is recognised as earned income over the term of the contract based on a constant rate of return on the net account receivable commencing at the time the consumer finance contract is executed.

Consumer financing receivables outstanding for more than 90 days are classified as non-performing and the related consumer financing income is recognised only when it is actually collected (cash-basis). When the consumer financing receivables are classified as non-performing, any related outstanding receivables of consumer financing income that have been recognised are reversed.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

k. Piutang pembiayaan konsumen (lanjutan)

Penyelesaian kontrak sebelum masa pembiayaan konsumen berakhir diperlakukan sebagai pembatalan kontrak pembiayaan konsumen dan keuntungan atau kerugian yang timbul diakui dalam laporan laba rugi konsolidasian periode berjalan.

Pembiayaan bersama

Dalam pembiayaaan bersama, Anak Perusahaan berhak menentukan tingkat bunga yang lebih tinggi kepada konsumen dibandingkan tingkat bunga yang ditetapkan dalam perjanjian pembiayaan bersama dengan penyedia fasilitas pembiayaan bersama.

Piutang pembiayaan bersama dengan *recourse* di neraca disajikan secara bruto. Pendapatan pembiayaan konsumen dan beban bunga yang terkait dengan pembiayaan konsumen bersama dengan *recourse* disajikan secara bruto di laporan laba rugi konsolidasian.

Piutang pembiayaan bersama tanpa *recourse* disajikan di neraca secara bersih. Pendapatan pembiayaan konsumen dan beban bunga yang terkait dengan pembiayaan bersama tanpa *recourse* disajikan terpisah secara bersih di laporan laba rugi konsolidasian.

Anak Perusahaan menetapkan penyisihan kerugian piutang berdasarkan penelaahan secara keseluruhan terhadap keadaan akun piutang pada akhir tahun, dengan mempertimbangkan umur piutang pembiayaan konsumen. Sejak tahun 2005, piutang pembiayaan konsumen akan dihapusbukukan setelah menunggak lebih dari 210 hari (2004 : 270 hari). Penerimaan dari piutang yang telah dihapusbukukan diakui sebagai pendapatan lain-lain pada saat diterima.

l. Piutang premi

Piutang premi Anak Perusahaan disajikan bersih setelah dikurangi dengan penyisihan kerugian piutang, berdasarkan penelaahan atas kolektibilitas saldo piutang. Piutang dihapuskan pada saat piutang tersebut dipastikan tidak akan tertagih.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***k. Consumer financing receivables** (continued)*

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current period consolidated statement of income.

Joint Financing

For joint financing arrangements, the Subsidiaries have the right to set higher interest rates to the consumers than stated in the joint financing agreement with the joint financing provider.

Joint financing receivables with recourse are presented on a gross basis in the balance sheet. Consumer financing income and interest expenses related to joint consumer financing with recourse are presented on a gross basis in the consolidated statement of income.

Joint financing receivables without recourse are presented on a net basis in the balance sheet. Consumer financing income and interest expenses related to joint financing without recourse are presented separately on a net basis in the consolidated statement of income.

The Subsidiaries provide an allowance for possible losses based on an overall review of receivables at the end of the year, with consideration of the ageing of the consumer financing receivables. Since 2005, consumer financing receivables will be written-off after these are overdue more than 210 days (2004 : 270 days). Recoveries from written-off receivables are recognised as other income upon receipt.

l. Premiums receivable

Insurance premiums receivable on the Subsidiary are recorded net of an allowance for possible losses, based on a review of the collectibility of outstanding amounts. Accounts are written-off as bad debts during the period in which they are determined to be not collectible.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

m. Tagihan dan kewajiban akseptasi

Tagihan dan kewajiban akseptasi dinyatakan sebesar nilai *Letter of Credit* (L/C) atau nilai yang dapat direalisasi atas L/C yang diaksep oleh bank pengaksep. Penyisihan kerugian disajikan sebagai pengurang dari akun tagihan akseptasi.

n. Aktiva tetap dan penyusutan

Aktiva tetap diakui sebesar harga perolehan setelah dikurangi akumulasi penyusutan, kecuali aktiva tetap tertentu yang telah dinilai kembali, sesuai dengan ketentuan pemerintah, untuk mencerminkan nilai wajar aktiva tersebut.

Harga perolehan mencakup semua pengeluaran yang terkait secara langsung dengan perolehan aktiva tetap.

Dalam suatu revaluasi atau penilaian kembali, akumulasi depresiasi pada tanggal revaluasi dihilangkan dengan lawan nilai tercatat bruto aktiva dan nilai bersih aktiva disajikan kembali sebesar nilai revaluasi aktiva tersebut. Selisih penilaian kembali aktiva tetap dikreditkan ke akun "selisih penilaian kembali aktiva tetap" yang disajikan pada bagian ekuitas.

Tanah tidak disusutkan.

Penyusutan aktiva tetap selain tanah dihitung dengan menggunakan metode garis lurus untuk mengalokasikan harga perolehan atau nilai setelah penilaian kembali hingga mencapai nilai sisa sepanjang estimasi masa manfaatnya sebagai berikut:

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

m. Acceptance receivables and payables

Acceptance receivables and payables are stated at the value of the Letter of Credit (L/C) or realisable value of the L/C accepted by the accepting bank. Acceptance receivables are recorded net of an allowance for possible losses.

n. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation, except for certain fixed assets that have been remeasured, in accordance with government regulation, to reflect their fair values.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

In a revaluation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The difference resulting from the revaluation of such fixed assets is credited to the "fixed assets revaluation reserve" account presented in the equity section.

Land is not depreciated.

Depreciation on fixed assets other than land are calculated on the straight-line method to allocate their cost or revalued amount to their residual values over their estimated useful lives as follows:

	Tahun/*Years*	
Bangunan	20	*Buildings*
Perlengkapan kantor	4-5	*Office equipment*
Kendaraan bermotor	3-5	*Motor vehicles*

Apabila aktiva tetap tidak digunakan lagi atau dijual, maka nilai tercatat dan akumulasi penyusutannya dikeluarkan dari laporan keuangan konsolidasian, dan keuntungan dan kerugian yang terjadi diakui dalam laporan laba rugi konsolidasian.

When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are eliminated from the consolidated financial statements, and the resulting gains and losses on the disposal of fixed assets are recognised in the consolidated statement of income.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

n. Aktiva tetap dan penyusutan (lanjutan)

Akumulasi biaya konstruksi aktiva tetap, dikapitalisasi sebagai aktiva dalam penyelesaian. Biaya tersebut direklasifikasi ke akun aktiva tetap pada saat proses konstruksi selesai. Penyusutan mulai dibebankan pada tanggal yang sama.

Biaya perbaikan dan pemeliharaan dibebankan ke dalam laporan laba rugi konsolidasian selama periode dimana biaya-biaya tersebut terjadi. Biaya-biaya renovasi besar dicatat sebagai bagian dari nilai tercatat aktiva yang bersangkutan apabila kemungkinan besar Bank dan Anak Perusahaan akan mendapatkan manfaat ekonomi masa depan dari aktiva tersebut yang melebihi standar kinerja yang diperkirakan sebelumnya. Renovasi-renovasi besar ini akan disusutkan selama sisa masa manfaat aktiva yang bersangkutan.

o. Agunan yang diambil alih

Agunan yang diambil alih oleh Bank dan Anak Perusahaan dinyatakan berdasarkan nilai terendah antara nilai tercatat pinjaman dan piutang pembiayaan konsumen terkait atau nilai realisasi bersih dari agunan yang diambil alih. Selisih antara nilai tercatat dan nilai realisasi bersih dicatat sebagai penyisihan penurunan nilai pasar atas agunan yang diambil alih dan dibebankan pada laporan laba rugi konsolidasian tahun berjalan.

Konsumen memberi kuasa kepada Bank dan Anak Perusahaan untuk menjual ataupun melakukan tindakan lainnya dalam upaya penyelesaian pinjaman konsumen bila terjadi wanprestasi terhadap perjanjian pembiayaan. Konsumen berhak atas selisih lebih antara nilai penjualan dengan hutang bersih konsumen. Jika terjadi selisih kurang, Bank dan Anak Perusahan akan mencatat sebagai kerugian atas penjualan agunan yang diambil alih.

p. Beban tangguhan

Biaya yang terkait langsung dengan perolehan pembiayaan konsumen Anak Perusahaan dibebankan ke laporan laba rugi konsolidasian selama jangka waktu pembiayaan berdasarkan persentase bunga efektif dari pembiayaan konsumen.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***n. Fixed assets and depreciation** (continued)*

The accumulated costs of the construction of fixed assets are capitalised as construction in progress. These costs are reclassified to fixed asset accounts when the construction is completed. Depreciation is charged from such date.

Repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank and Subsidiaries. Major renovations are depreciated over the remaining useful life of the related asset.

o. Repossessed assets

Repossessed assets are stated by the Bank and Subsidiaries at the lower of related loans and consumer financing receivables' carrying value or net realisable value of the repossessed assets. The difference between the book value and the net realisable value is recorded as provision for diminution in market value of repossessed assets and is charged to the current year consolidated statements of income.

In case of default, the consumer gives the right to the Bank and Subsidiaries to sell the repossessed assets or take any other actions to settle the outstanding receivables. Consumers are entitled to the positive differences between the proceeds from the sales of vehicles and the outstanding loan. If there are negative differences, the Bank and Subsidiaries will record those as losses from disposal of repossessed assets.

p. Deferred charges

Costs directly incurred in acquiring consumer financing business will be charged over the terms of the consumer financing period, based on an effective interest yield of the related consumer financing receivables.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

q. Simpanan nasabah dan simpanan dari bank lain

Giro dan tabungan dinyatakan sebesar nilai kewajiban.

Deposito berjangka dinyatakan sebesar nilai nominal.

Sertifikat deposito dinyatakan sebesar nilai nominal dikurangi dengan bunga yang belum diamortisasi.

r. Pendapatan dan beban bunga

Pendapatan dan beban bunga diakui berdasarkan metode akrual.

Penerimaan tunai atas pinjaman yang diklasifikasikan sebagai diragukan atau macet, kecuali pinjaman yang dibeli dari BPPN dipergunakan terlebih dahulu untuk mengurangi pokok pinjaman. Kelebihan penerimaan dari pokok pinjaman diakui sebagai pendapatan bunga dalam laporan laba rugi konsolidasian.

s. Pendapatan premi

Pendapatan premi asuransi yang dihasilkan oleh Anak Perusahaan terdiri dari pendapatan premi, pendapatan *underwriting* dan pendapatan reasuransi.

Pengakuan pendapatan premi

Pendapatan premi diakui sejak berlakunya polis.

Pendapatan premi asuransi yang berjangka waktu lebih dari satu tahun diakui sebagai pendapatan premi tangguhan dan diamortisasi sesuai dengan periode berlakunya polis asuransi.

Pendapatan *underwriting*

Hasil *underwriting* bersih ditentukan setelah memperhitungkan premi yang belum merupakan pendapatan, potongan premi dan estimasi klaim retensi sendiri. Metode yang digunakan untuk menentukan cadangan tersebut adalah sebagai berikut:

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

q. Deposits from customers and deposits from other banks

Current and savings accounts are stated at the payable amount.

Time deposits are stated at their nominal value.

Certificates of deposits are stated at their nominal value less unamortised interest.

r. Interest income and expense

Interest income and expense are recognised on an accrual basis.

Cash receipts from loans which are classified as doubtful or loss, except for loans purchased from IBRA, are applied to the loan principal first. The excess of cash receipts over loan principal is recognised as interest income in the consolidated statement of income.

s. Premium income

Insurance premium income in the Subsidiary consists of premium income, underwriting income and reinsurance income.

Premium income recognition

Premium income is recognised on inception of the policy.

Premium income with a term of more than one year is recognised as deferred premium income and amortised over the period of the insurance policy.

Underwriting income

Net underwriting income is determined after making provisions for unearned premium reserves, premium discount and estimated own retention claims. The methods used to determine these provisions are as follows:

2. IKHTISAR KEBIJAKAN PENTING AKUNTANSI (lanjutan)

s. Pendapatan premi (lanjutan)

i) Premi yang belum merupakan pendapatan

Premi yang belum merupakan pendapatan dihitung dengan menggunakan persentase agregat dari premi bersih tanggungan sendiri dengan tarif 40%.

ii) Estimasi klaim retensi sendiri

Cadangan atas estimasi klaim retensi sendiri dibuat berdasarkan taksiran beban klaim yang akan dibayar setelah dikurangi pemulihan klaim dari reasuradur sesuai dengan klaim yang diterima sampai dengan tanggal 31 Desember.

Pendapatan reasuransi

Anak Perusahaan mempunyai kontrak reasuransi proporsional dan non proposional dengan perusahaan asuransi dan reasuransi di dalam maupun di luar negeri. Tujuan reasuransi ini adalah untuk membagi risiko yang melebihi kapasitas retensi Anak Perusahaan yang ditentukan berdasarkan ekuitas. Premi reasuransi, klaim reasuransi dan komisi reasuransi dikurangi dari premi bruto, klaim bruto dan komisi bruto.

t. Pendapatan dan beban provisi dan komisi

Provisi dan komisi yang jumlahnya signifikan yang berkaitan langsung dengan kegiatan pemberian pinjaman Bank, atau mempunyai jangka waktu tertentu, diamortisasi berdasarkan metode garis lurus sesuai dengan jangka waktunya. Apabila pinjaman dilunasi sebelum jatuh tempo, maka pendapatan provisi dan komisi yang belum diamortisasi, diakui pada saat pinjaman dilunasi. Pendapatan dan beban provisi dan komisi lainnya diakui pada saat terjadinya transaksi.

Pendapatan provisi dan komisi yang tidak berkaitan dengan kegiatan pemberian pinjaman dan jangka waktu tertentu diakui sebagai pendapatan pada saat terjadinya transaksi.

Pendapatan provisi Anak Perusahaan diakui pada saat perjanjian pembiayaan konsumen ditandatangani dan kendaraan yang dibiayai diasuransikan kepada perusahaan asuransi.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***s. Premium income** (continued)*

i) Unearned premium reserve

The unearned premium reserve is calculated based on the aggregate percentage method of net written premiums at the rate of 40%.

ii) Estimated own retention claims

A provision for estimated own retention claims is made for the full estimated costs of claims to be paid net of reinsurance recoveries in respect of claims notified until 31 December.

Reinsurance income

The Subsidiary has proportional and non-proportional reinsurance contracts with local and foreign insurance and reinsurance companies. The objective of the reinsurance is to cede the risk exceeding the Subsidiary's retention capacity, determined on the basis of its capital. Reinsurance premiums, reinsurance claims, and reinsurance commissions are deducted from the gross written premiums, gross claims paid and gross commissions paid.

t. Fees and commission income and expense

Significant fees and commission income directly related to the Bank's lending activities, or related to a specific period, are amortised using the straight line method over the term of the underlying contract. Unamortised fees and commissions relating to loans settled prior to maturity are recognised at the settlement date. Other fees and commissions are recognised at the transaction date.

Fees and commissions income which are not related to lending activities and a specific period are recognised as revenues on the transaction date.

The Subsidiaries' fee income is recognised when the consumer financing contracts are signed and the vehicles being financed are insured with an insurance company.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

t. Pendapatan dan beban provisi dan komisi (lanjutan)

Pendapatan administrasi Anak Perusahan merupakan pendapatan yang diperoleh dari konsumen pada saat perjanjian pembiayaan konsumen pertama kali ditandatangani.

u. Beban *underwriting*

Beban *underwriting* Anak Perusahaan meliputi beban akuisisi, beban estimasi klaim retensi sendiri dan beban klaim.

Beban akuisisi

Beban akuisisi yang berhubungan dengan pendapatan premi, seperti komisi, dibebankan dalam laporan laba rugi konsolidasian pada saat terjadinya.

Beban klaim

Beban klaim sehubungan dengan terjadinya kerugian terhadap obyek asuransi yang dipertanggungkan meliputi klaim yang telah disetujui, klaim yang masih dalam proses, klaim yang terjadi namun belum dilaporkan ("*IBNR*"), dan beban penyelesaian klaim.

Perubahan jumlah estimasi kewajiban klaim, sebagai akibat proses penelaahan lebih lanjut dan perbedaan antara jumlah estimasi klaim dengan klaim yang dibayarkan, diakui dalam laporan laba rugi konsolidasian pada periode terjadinya perubahan.

v. Obligasi yang diterbitkan

Obligasi yang diterbitkan dicatat sebesar nilai nominal dikurangi saldo diskonto yang belum diamortisasi. Biaya yang terjadi sehubungan dengan penerbitan obligasi Anak Perusahaan diakui sebagai diskonto dan dikurangkan langsung dari hasil emisi, dan diamortisasi selama jangka waktu obligasi tersebut dengan menggunakan metode garis lurus.

w. Pinjaman subordinasi

Pinjaman subordinasi dicatat sebesar nilai nominal dikurangi saldo diskonto yang belum diamortisasi. Selisih antara nilai nominal dengan kas yang diterima diakui sebagai diskonto atau premi dan diamortisasi sepanjang jangka waktu pinjaman berdasarkan metode garis lurus sampai dengan tanggal jatuh tempo.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***t. Fees and commission income and expense** (continued)*

The Subsidiaries' administrative income is recognised at the time the consumer financing contracts are signed.

u. Underwriting expenses

Underwriting expenses of the Subsidiary consist of premium acquisition costs, estimated own retention claim costs and claim expenses.

Premium acquisition cost

Acquisition costs relating to premiums written, such as commissions, are charged to the consolidated statement of income as incurred.

Claim expenses

Claims arising as a result of loss to the object of insurance include approved claims, outstanding claims, claims Incurred-But-Not-Reported ("IBNR"), and claim settlement expenses.

Changes in the amount of estimated total claim liabilities as a result of further review and differences between estimated claims and claims paid, are recognised in the consolidated statement of income in the period when the changes occurs.

v. Bonds issued

Bonds are presented at nominal value net of unamortised discount. Costs incurred in connection with the Subsidiary's bonds' issuance are recognised as a discount and offset directly from the proceeds derived from such offering and amortised over the period of the bonds using the straight line method.

w. Subordinated debts

Subordinated debts are presented at nominal value net of unamortised discount. Differences between nominal value and cash received are recognised as a discount or premium and amortised over the period of the debts using the straight line method.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

x. Perpajakan

Pajak penghasilan tangguhan disajikan dengan jumlah penuh, dengan menggunakan metode kewajiban. Pajak penghasilan tangguhan timbul akibat perbedaan temporer yang ada antara aktiva dan kewajiban atas dasar pajak dengan nilai tercatat aktiva dan kewajiban dalam laporan keuangan konsolidasian. Tarif pajak yang berlaku atau yang secara substansial telah berlaku digunakan dalam menentukan pajak penghasilan tangguhan.

Aktiva pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa datang akan memadai untuk mengkompensasi perbedaan temporer yang menimbulkan aktiva pajak tangguhan tersebut.

Amandemen terhadap kewajiban perpajakan dicatat pada saat diterimanya surat ketetapan, atau apabila dilakukan banding, ketika hasil banding sudah diputuskan.

y. Imbalan kerja

Kewajiban pensiun

Perusahaan-perusahaan di dalam Bank dan Anak Perusahaan memiliki berbagai program pensiun sesuai dengan peraturan perundang–undangan yang berhubungan dengan ketenagakerjaan atau kebijakan yang dimiliki oleh Bank dan Anak Perusahaan. Program-program ini pada umumnya didanai melalui pembayaran kepada pengelola dana pensiun sebagaimana ditentukan dalam perhitungan aktuarial yang dilakukan secara berkala. Program pensiun imbalan pasti adalah program pensiun yang menentukan jumlah imbalan pensiun yang akan diberikan, biasanya berdasarkan satu faktor atau lebih seperti usia, masa kerja atau kompensasi. Program pensiun iuran pasti adalah program pensiun dimana perusahaan akan membayar iuran tetap kepada sebuah entitas yang terpisah (dana pensiun) dan tidak memiliki kewajiban hukum atau konstruktif untuk membayar kontribusi lebih lanjut apabila dana pensiun tersebut tidak memiliki aktiva yang memadai untuk membayar seluruh imbalan karyawan yang timbul dari pelayanan yang diberikan oleh karyawan pada periode kini dan sebelumnya.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

x. Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Currently enacted or substantially enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the results of the appeal are determined.

y. Employee benefits

Pension obligations

The Bank and Subsidiaries have various pension schemes in accordance with prevailing labor-related laws and regulations or Bank and Subsidiaries' policies. The schemes are generally funded through payments to trustee-administered funds as determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

y. Imbalan kerja (lanjutan)

Kewajiban pensiun (lanjutan)

Kewajiban program imbalan pasti yang diakui di neraca konsolidasian adalah nilai kini kewajiban imbalan pasti pada tanggal neraca dikurangi nilai wajar aktiva program, serta disesuaikan dengan keuntungan / kerugian aktuarial dan biaya jasa lalu yang belum diakui. Kewajian imbalan pasti dihitung setiap tahun oleh aktuaris independen menggunakan metode *projected unit credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas keluar masa depan dengan menggunakan tingkat bunga obligasi korporasi berkualitas tinggi dalam mata uang yang sama dengan mata uang imbalan yang akan dibayarkan dan waktu jatuh tempo yang kurang lebih sama dengan waktu jatuh tempo imbalan yang bersangkutan.

Keuntungan dan kerugian aktuarial dapat timbul dari penyesuaian yang dibuat berdasarkan pengalaman dan perubahan asumsi-asumsi aktuarial. Apabila jumlah keuntungan atau kerugian aktuarial ini melebihi 10% dari imbalan pasti atau 10% dari nilai wajar aktiva program maka kelebihannya dibebankan atau dikreditkan pada pendapatan atau beban selama sisa masa kerja rata-rata para karyawan yang bersangkutan.

Selain program pensiun imbalan pasti, Bank juga memiliki program iuran pasti dimana Bank membayar iuran kepada program asuransi pensiun yang diselenggarakan oleh swasta.

Pesangon pemutusan kontrak kerja

Pesangon pemutusan kontrak terhutang ketika karyawan dihentikan kontrak kerjanya sebelum usia pensiun normal. Bank dan Anak Perusahaan mengakui pesangon pemutusan kontrak kerja ketika Bank dan Anak Perusahaan menunjukkan komitmennya untuk memutuskan kontak kerja dengan karyawan berdasarkan suatu rencana formal terperinci yang kecil kemungkinannya untuk dibatalkan. Pesangon yang akan dibayarkan dalam waktu lebih dari 12 bulan setelah tanggal neraca didiskontokan untuk mencerminkan nilai kini.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***y. Employee benefits** (continued)*

***Pension obligations** (continued)*

The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gain or losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions when exceeding 10% of defined benefit or 10% of fair value program's asset are charged or credited to income over the average remaining service lives of the relevant employees.

In addition to a defined benefit pension plan, the Bank also has a defined contribution plan where the Bank pays contributions to privately administered pension insurance plans.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Bank and Subsidiaries recognises termination benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan and the possibility to withdraw the plan is low. Benefits falling due more than 12 months after the balance sheet date are discounted at present value.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

y. Imbalan kerja (lanjutan)

Kompensasi karyawan / manajemen berbasis saham

Bank memberikan opsi saham kepada para Manajemen dan karyawan yang berhak. Beban kompensasi ditentukan pada tanggal pemberian kompensasi berdasarkan nilai wajar dari seluruh opsi saham yang diberikan yang dihitung dengan menggunakan metode penentuan harga opsi *Binomial* dan kombinasi metode *Black & Scholes* dengan *Up-and-In Call Option* dicatat sebagai komponen ekuitas. Beban diakui pada laporan laba rugi konsolidasian selama periode jasa diberikan atau periode *vesting.*

z. Laba bersih per saham

Laba bersih per saham dasar dihitung dengan membagi laba bersih dengan rata-rata tertimbang jumlah saham biasa yang beredar pada tahun yang bersangkutan.

Laba bersih per saham dilusian dihitung dengan membagi laba bersih dengan rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan yang disesuaikan dengan mengasumsikan konversi efek berpotensi saham yang sifatnya dilutif.

aa. Dividen

Pembagian dividen kepada para pemegang saham Bank dan Anak Perusahaan diakui sebagai sebuah kewajiban dalam laporan keuangan konsolidasian Bank dan Anak Perusahaan pada periode ketika dividen tersebut disetujui oleh para pemegang saham Bank dan Anak Perusahaan.

ab. Transaksi dengan pihak yang mempunyai hubungan istimewa

Bank dan Anak Perusahaan melakukan transaksi dengan pihak yang mempunyai hubungan istimewa sesuai dengan ketentuan Pernyataan Standar Akuntansi Keuangan No. 7 mengenai "Pengungkapan pihak-pihak yang mempunyai hubungan istimewa" dan sesuai dengan peraturan Bank Indonesia No. 8/13/PBI/2006 mengenai Perubahan atas Peraturan Bank Indonesia No. 7/3/PBI/2005 tentang Batas Maksimum Pemberian Kredit Bank Umum yang didefinisikan antara lain:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

y. Employee benefits *(continued)*

Employee / management stock option

The Bank provides stock options to eligible key Management and employees. Compensation costs are measured at grant date based on the fair value of the stock options using Binomial and a combination of Black & Scholes and Up-and-In Call Option pricing models, and are recognised in the consolidated statement of income over the service or vesting period with a corresponding entry in equity.

z. Earnings per share

Basic earnings per share are computed by dividing net income with the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is computed by dividing net income with the weighted average number of shares outstanding during the year adjusted to assumed conversion of all dilutive potential ordinary shares.

aa. Dividends

Dividend distribution to the Bank and Subsidiaries' shareholders is recognised as a liability in the Bank and Subsidiaries' consolidated financial statements in the period in which the dividends are approved by the Bank and Subsidiaries' shareholders.

ab. Transactions with related parties

The Bank and Subsidiaries enter into transactions with parties which are defined as related parties in accordance to Statement of Financial Accounting Standards (SFAS) No.7 regarding "Related party disclosures" and Bank Indonesia regulation No. 8/13/PBI/2006 regarding "Changes on Bank Indonesia Regulation No. 7/3/PBI/2005 regarding Legal Lending Limit for Commercial Bank". Related parties are principally defined as:

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (lanjutan)

ab. Transaksi dengan pihak yang mempunyai hubungan istimewa (lanjutan)

i. perusahaan di bawah pengendalian Bank dan Anak Perusahaan;

ii. perusahaan asosiasi;

iii. investor yang memiliki hak suara, yang memberikan investor tersebut suatu pengaruh yang signifikan;

iv. perusahaan di bawah pengendalian investor yang dijelaskan dalam catatan iii di atas; dan

v. karyawan kunci dan anggota keluarganya.

Jenis transaksi dan saldo dengan pihak yang mempunyai hubungan istimewa, baik yang dilaksanakan dengan ataupun tidak dilaksanakan dengan syarat serta kondisi normal yang sama untuk pihak yang tidak mempunyai hubungan istimewa, diungkapkan dalam catatan atas laporan keuangan konsolidasian.

ac. Pelaporan segmen

Sebuah segmen usaha adalah sekelompok aktiva dan operasi yang menyediakan barang atau jasa yang memiliki risiko serta tingkat pengembalian yang berbeda dengan segmen usaha lainnya.

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)*

***ab. Transactions with related parties**(continued)*

i. entities under the control of the Bank and Subsidiaries;

ii. associated companies;

iii. investors with an interest in the voting that gives them significant influence;

iv. entities controlled by investors under iii above; and

v. key management and their relatives.

The nature of transactions and balances of accounts with related parties, whether or not transacted on normal terms and conditions similar to those with non-related parties, are disclosed in the notes to the consolidated financial statements.

ac. Segment reporting

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments.

3. KAS / ***3. CASH***

	2006	2005	2004	
Rupiah	784,594	587,474	708,417	*Rupiah*
Mata uang asing	47,989	52,570	44,839	*Foreign currencies*
	832,583	640,044	753,256	

Saldo dalam mata uang Rupiah termasuk uang pada mesin ATM *(Automatic Teller Machines)* sejumlah Rp 80.079 pada tanggal 31 Desember 2006 (2005: Rp 78.527; 2004: Rp 85.314).

The Rupiah balance includes cash in ATMs (Automatic Teller Machines) amounting to Rp 80,079 as at 31 December 2006 (2005: Rp 78,527; 2004: Rp 85,314).

Kas dalam mata uang asing terutama adalah Dolar Amerika Serikat.

Cash in foreign currencies is mainly denominated in United States Dollars.

4. GIRO PADA BANK INDONESIA / *4. CURRENT ACCOUNTS WITH BANK INDONESIA*

	2006	2005	2004	
Rupiah	3,552,967	3,220,085	2,422,890	*Rupiah*
Dolar Amerika Serikat	396,756	343,229	239,210	*United States Dollars*
	3,949,723	3,563,314	2,662,100	

Pada tanggal 31 Desember 2006, persentase giro wajib minimum dalam Rupiah adalah sebesar 8,14% (2005: 8,05%; 2004: 7,13%) dan Dolar Amerika Serikat adalah sebesar 3,03% (2005: 3,15%; 2004: 3,02%) sesuai dengan Peraturan Bank Indonesia No. 7/29/PBI/2005 mengenai Giro Wajib Minimum Bank Umum pada Bank Indonesia dalam Rupiah dan Valuta Asing sebesar 8% dan 3% (2005: 8% dan 3%; 2004: 7% dan 3%).

As at 31 December 2006, the percentage of statutory reserves in Rupiah is 8.14% (2005: 8.05%; 2004: 7.13%) and United States Dollars is 3.03% (2005: 3.15%; 2004: 3.02%) which complies with Bank Indonesia Regulation No. 7/29/PBI/2005 concerning Statutory Reserves of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currency of 8% and 3% (2005: 8% and 3%; 2004: 7% and 3%).

5. GIRO PADA BANK LAIN / *5. CURRENT ACCOUNTS WITH OTHER BANKS*

Giro pada bank lain yang mempunyai hubungan istimewa diungkapkan pada Catatan 42a. Informasi mengenai jatuh tempo diungkapkan pada Catatan 47.

Current accounts with related parties are disclosed in Note 42a. Information in respect of maturities is disclosed in Note 47.

a. Berdasarkan mata uang / *a. By currency*

	2006	2005	2004	
Rupiah	273,139	156,893	162,445	*Rupiah*
Mata uang asing	301,013	1,010,487	488,277	*Foreign currencies*
	574,152	1,167,380	650,722	
Dikurangi:				***Less:***
Penyisihan kerugian	4,105	10,258	5,169	*Allowance for possible losses*
	570,047	1,157,122	645,553	
Terdiri dari:				***Consists of:***
- Pihak yang mempunyai hubungan istimewa	123,047	31,227	6,440	*Related parties -*
- Pihak ketiga	447,000	1,125,895	639,113	*Third parties -*
	570,047	1,157,122	645,553	

Giro pada bank lain dalam mata uang asing terutama terdiri dari Dolar Amerika Serikat, *Poundsterling*, Dolar Singapura, Yen, Dolar Australia dan Euro.

Current accounts with other banks in foreign currencies are mainly denominated in United States Dollars, Poundsterling, Singapore Dollars, Yen, Australian Dollars and Euro.

5. GIRO PADA BANK LAIN (lanjutan)

b. Berdasarkan kolektibilitas

Pada tanggal 31 Desember 2006, semua giro pada bank lain sejumlah Rp 574.152 (2005: Rp 1.167.380; 2004: Rp 650.722) digolongkan sebagai lancar.

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai.

5. CURRENT ACCOUNTS WITH OTHER BANKS *(continued)*

b. By collectibility

As at 31 December 2006, current accounts with other banks amounting to Rp 574,152 (2005: Rp 1,167,380; 2004: Rp 650,722) are classified as pass.

Management believes that the above allowance for possible losses is adequate.

6. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA

Penempatan pada bank lain yang mempunyai hubungan istimewa diungkapkan pada Catatan 42b. Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

a. Berdasarkan jenis dan mata uang

6. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA

Placements with related parties are disclosed in Note 42b. Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

a. By type and currency

	2006	2005	2004	
Rupiah				***Rupiah***
- Penempatan pada Bank Indonesia (FASBI)-bersih	264,965	584,874	299,679	*Placements with Bank Indonesia (FASBI)-net*
- *Call money*	1,356,079	505,000	225,000	*Call money*
- Deposito berjangka	233,595	12,010	2,000	*Time deposits*
	1,854,639	1,101,884	526,679	
Mata uang asing				***Foreign currencies***
- *Call money*	3,176,941	4,350,495	501,390	*Call money*
	5,031,580	5,452,379	1,028,069	
Dikurangi:				***Less:***
Penyisihan kerugian	45,330	48,655	7,264	*Allowance for possible losses*
	4,986,250	5,403,724	1,020,805	
Terdiri dari:				***Consists of:***
- Pihak yang mempunyai hubungan istimewa	1,155,661	499,950	183,289	*Related parties*
- Pihak ketiga	3,830,589	4,903,774	837,516	*Third parties*
	4,986,250	5,403,724	1,020,805	

Pada tanggal 31 Desember 2006, termasuk dalam *call money* jumlah sebesar Rp 700.000 (2005: Rp 505.000; 2004: Rp 175.000) dijaminkan sehubungan dengan efek yang dijual dengan janji dibeli kembali (lihat Catatan 12a).

Pada tanggal 31 Desember 2006 deposito berjangka Anak Perusahaan sebesar Rp nihil (2005 dan 2004: Rp 2.000) dijadikan jaminan atas fasilitas pinjaman yang diterima Anak Perusahaan (lihat Catatan 22).

As at 31 December 2006, included in call money is an amount of Rp 700,000 (2005: Rp 505,000; 2004: Rp 175,000) which is pledged as collateral in relation to securities sold under a repurchase agreement (see Note 12a).

As at 31 December 2006 the Subsidiaries's time deposit of Rp nil (2005 and 2004: Rp 2,000) is pledged as collateral for a borrowing facility granted to the Subsidiary (see Note 22).

6. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA (lanjutan)

b. Berdasarkan kolektibilitas

Seluruh penempatan pada bank lain pada tanggal 31 Desember 2006, 2005 dan 2004 digolongkan sebagai lancar.

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai.

6. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA *(continued)*

b. By collectibility

All placements with other banks as at 31 December 2006, 2005 and 2004 are classified as pass.

Management believes that the above allowance for possible losses is adequate.

7. EFEK-EFEK

Efek-efek yang dikeluarkan oleh pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42c. Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

7. MARKETABLE SECURITIES

Marketable securities issued by related parties are disclosed in Note 42c. Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

a. Berdasarkan jenis dan mata uang

a. By type and currency

	2006		2005		2004		
	Nilai tercatat/ *Carrying value*	Nilai wajar/ *Fair value*	Nilai tercatat/ *Carrying value*	Nilai wajar/ *Fair value*	Nilai tercatat/ *Carrying value*	Nilai wajar/ *Fair value*	
Dimiliki hingga jatuh tempo:							***Held to maturity:***
Rupiah							***Rupiah***
- Obligasi korporasi setelah dikurangi/ditambah diskonto atau premi yang belum diamortisasi sebesar Rp 6 pada tahun 2006 (2005: Rp 9; 2004: Rp 105)	188,801	222,289	162,647	156,048	60,105	61,882	*Corporate bonds - net of unamortised discount or premium of Rp 6 in 2006 (2005: Rp 9; 2004: Rp 105)*
- Surat berharga lainnya	41,757	-	46,440	-	13,153	-	*Other marketable securities -*
	230,558		209,087		73,258		
Mata uang asing							***Foreign currencies***
- Wesel ekspor	56,449		61,462	-	28,527	-	*Trading export bills -*
- Obligasi korporasi setelah dikurangi/ditambah diskonto atau premi yang belum diamortisasi sebesar Rp 1.076 pada tahun 2006 (2005: Rp 1.657; 2004: Rp 9.724)	317,696	322,985	363,532	372,559	462,048	471,568	*Corporate bonds - net of unamortised discount or premium of Rp 1,076 in 2006 (2005: Rp 1,657; 2004: Rp 9,724)*
	374,145		424,994		490,575		
Jumlah dimiliki hingga jatuh tempo	604,703		634,081		563,833		*Total held to maturity*
Dikurangi:							***Less:***
Penyisihan kerugian	19,294		14,493		17,317		*Allowance for possible losses*
Jumlah dimiliki hingga jatuh tempo – bersih	585,409		619,588		546,516		*Total held to maturity - net*

7. EFEK-EFEK (lanjutan) / *7. MARKETABLE SECURITIES (continued)*

a. Berdasarkan jenis dan mata uang (lanjutan) / *a. By type and currency (continued)*

	2006 Nilai tercatat/ Nilai wajar/ *Carrying value/ Fair value*	2005 Nilai tercatat/ Nilai wajar/ *Carrying value/ Fair value*	2004 Nilai tercatat/ Nilai wajar/ *Carrying value/ Fair value*	
Tersedia untuk dijual:				***Available for sale:***
Rupiah				***Rupiah***
- Unit penyertaan reksadana	107,246	12,287	41,427	*Mutual fund units -*
- Obligasi korporasi	469,848	263,658	304,390	*Corporate bonds -*
- Efek hutang lainnya	11,554	-	10,000	*Other debt securities -*
	588,648	275,945	355,817	
Mata uang asing				***Foreign currencies***
- Pinjaman *exchange offer*	-	-	172,797	*Exchange offer loans -*
- Obligasi korporasi	758,045	339,934	382,780	*Corporate bonds -*
- Obligasi pemerintah Amerika Serikat	1,959,177	-	-	*United States government bonds -*
	2,717,222	339,934	555,577	
Jumlah tersedia untuk dijual	3,305,870	615,879	911,394	*Total available for sale*
Diperdagangkan:				***Trading:***
Rupiah				***Rupiah***
- Sertifikat Bank Indonesia setelah dikurangi/ditambah diskonto atau premi yang belum diamortisasi sebesar Rp 5.519 pada tahun 2006 (2005: Rp 5.174; 2004: Rp 3.748)	2,036,248	1,069,826	1,514,030	*Bank Indonesia Certificates - net of unamortised discount or premium of Rp 5,519 in 2006 (2005: Rp 5,174; 2004: Rp 3,748)*
- Obligasi korporasi	65,532	38,939	60,659	*Corporate bonds -*
	2,101,780	1,108,765	1,574,689	
Mata uang asing				***Foreign currencies***
- Obligasi korporasi	18,996	131,332	195,944	*Corporate bonds -*
	18,996	131,332	195,944	
Jumlah diperdagangkan	2,120,776	1,240,097	1,770,633	*Total trading*
Jumlah efek-efek	6,012,055	2,475,564	3,228,543	*Total marketable securities*

Efek-efek dalam mata uang asing terutama terdiri dari Dolar Amerika Serikat.

Marketable securities in foreign currencies are mainly denominated in United States Dollars.

Pinjaman *exchange offer* dan wesel ekspor tidak terdaftar di bursa efek.

The exchange offer loans and trading export bills are not listed.

Selama tahun 2006, obligasi korporasi dalam kelompok dimiliki hingga jatuh tempo dengan nilai nominal sebesar US$ 2.000.000 telah dibeli kembali oleh penerbit obligasi sebelum tanggal jatuh tempo dikarenakan adanya perubahan peraturan perpajakan. Keuntungan yang timbul karena pembelian kembali tersebut dicatat sebagai pendapatan lain-lain dalam laporan laba rugi konsolidasian sebesar Rp 1.481.

During 2006, corporate bonds in held to maturity portfolio with a nominal value of US$ 2,000,000 were bought back by the bond issuer before their maturity, due to changes in the tax regulations. Gains of Rp 1,481 arising from the buy back were recorded as other income in the consolidated statement of income.

7. EFEK-EFEK (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

Selama tahun 2005, obligasi korporasi dalam kelompok dimiliki hingga jatuh tempo dengan nilai nominal sebesar Rp 20.000 telah dibeli kembali oleh penerbit obligasi sebelum tanggal jatuh tempo dan obligasi korporasi dengan nilai nominal sebesar US$ 12.775.000 telah dipindahkan ke kelompok tersedia untuk dijual dikarenakan meningkatnya risiko kredit atas obligasi tersebut secara signifikan berdasarkan penilaian Manajemen.

Selama tahun 2005 dan 2004, pinjaman *exchange offer* sebesar US$ 18.802.155 dan US$ 74.822.694 dengan nilai tercatat Rp 172.797 dan Rp 609.481 telah jatuh tempo dan dilunasi.

Pada tanggal 31 Desember 2006, obligasi korporasi tersebut di atas diperingkat oleh S&P berkisar antara B dan B+, PT Pemeringkat Efek Indonesia (Pefindo) berkisar antara B dan idA+ dan oleh Moody's Investor Service Inc. berkisar antara Ba3 dan A1.

***7. MARKETABLE SECURITIES** (continued)*

***a. By type and currency** (continued)*

During 2005, corporate bonds in held to maturity portfolio with a nominal value of Rp 20,000 were bought back by the bond issuer before their maturity date and corporate bonds of US$ 12,775,000 have been reclassified to available for sale due to a significant increase in credit risk on these bonds based on Management's assessment.

During 2005 and 2004, exchange offer loans amounting to US$ 18,802,155 and US$ 74,822,694, respectively with a total carrying value of Rp 172,797 and Rp 609,481 respectively matured and settled.

As at 31 December 2006, the above corporate bonds are rated by S&P between B and B+, PT Pemeringkat Efek Indonesia (Pefindo) between B and idA+ and by Moody's Investor Service Inc. *between Ba3 and A1.*

b. Berdasarkan penerbit / ***b. By issuer***

	2006	2005	2004	
Bank Indonesia	2,036,248	1,069,826	1,514,030	*Bank Indonesia*
Korporasi	2,035,924	1,420,231	1,731,830	*Corporates*
Pemerintah Amerika Serikat	1,959,177	-	-	*Government of United States of America*
	6,031,349	2,490,057	3,245,860	
Dikurangi:				***Less:***
Penyisihan kerugian	19,294	14,493	17,317	*Allowance for possible losses*
	6,012,055	2,475,564	3,228,543	

c. Berdasarkan kolektibilitas / ***c. By collectibility***

	2006	2005	2004	
Lancar	6,031,349	2,479,499	3,245,860	*Pass*
Kurang lancar	-	10,558	-	*Substandard*
	6,031,349	2,490,057	3,245,860	
Dikurangi:				***Less:***
Penyisihan kerugian	19,294	14,493	17,317	*Allowance for possible losses*
	6,012,055	2,475,564	3,228,543	

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai.

Management believes that the above allowance for possible losses is adequate.

8. TAGIHAN DAN KEWAJIBAN DERIVATIF

Tagihan derivatif dari pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42d. Informasi mengenai jatuh tempo diungkapkan pada Catatan 47.

8. DERIVATIVE RECEIVABLES AND PAYABLES

Derivative receivables from related parties are disclosed in Note 42d. Information in respect of maturities is disclosed in Note 47.

Instrumen	Jumlah nosional setara dengan/ *Notional amount equivalent to*	Nilai wajar/*Fair values*: Tagihan derivatif/ *Derivative receivables*	Nilai wajar/*Fair values*: Kewajiban derivatif/ *Derivative payables*	*Instruments*
2006				
Kontrak tunai mata uang asing*)	US$ 43,421,041	450	411	*Foreign currency spot*)*
Kontrak berjangka mata uang asing	US$ 59,127,476	2,184	5,712	*Foreign currency forward*
Swaps mata uang asing	US$ 930,713,832	89,859	59,610	*Foreign currency swaps*
Cross currency swaps	US$ 82,103,395	770	87,096	*Cross currency swaps*
Swap suku bunga	US$ 33,322,226	-	9,843	*Interest rate swaps*
Futures	US$ -	503	-	*Futures*
Kontrak opsi mata uang asing	US$ 357,403,070	17,218	21,493	*Foreign currency options*
Kontrak opsi suku bunga	US$ 3,900,000	175	196	*Interest rate options*
		111,159	184,361	
Dikurangi:				***Less:***
Penyisihan kerugian		1,112	-	*Allowance for possible losses*
		110,047	184,361	

Instrumen	Jumlah nosional setara dengan/ *Notional amount equivalent to*	Nilai wajar/*Fair values*: Tagihan derivatif/ *Derivative receivables*	Nilai wajar/*Fair values*: Kewajiban derivatif/ *Derivative payables*	*Instruments*
2005				
Kontrak tunai mata uang asing*)	US$ 43,715,565	220	686	*Foreign currency spot*)*
Kontrak berjangka mata uang asing	US$ 35,459,090	1,338	6,006	*Foreign currency forward*
Swaps mata uang asing	US$ 633,052,245	103,538	39,707	*Foreign currency swaps*
Cross currency swaps	US$ 85,659,993	26,578	22,567	*Cross currency swaps*
Futures	US$ 8,000,000	550	-	*Futures*
Kontrak opsi mata uang asing	US$ 34,973,440	1,115	809	*Foreign currency options*
Kontrak opsi obligasi	US$ 40,000,000	2,743	5,710	*Bond options*
		136,082	75,485	
Dikurangi:				***Less:***
Penyisihan kerugian		1,360	-	*Allowance for possible losses*
		134,722	75,485	

Instrumen	Jumlah nosional setara dengan/ *Notional amount equivalent to*	Nilai wajar/*Fair values*: Tagihan derivatif/ *Derivative receivables*	Nilai wajar/*Fair values*: Kewajiban derivatif/ *Derivative payables*	*Instruments*
2004				
Kontrak tunai mata uang asing*)	US$ 48,853,290	1,744	1,490	*Foreign currency spot*)*
Kontrak berjangka mata uang asing	US$ 15,675,591	826	789	*Foreign currency forward*
Swaps mata uang asing	US$ 183,381,350	20,184	3,560	*Foreign currency swaps*
Cross currency swaps	US$ 21,621,622	112	-	*Cross currency swaps*
Kontrak opsi mata uang asing	US$ 7,838,322	353	398	*Foreign currency options*
		23,219	6,237	
Dikurangi:				***Less:***
Penyisihan kerugian		233	-	*Allowance for possible losses*
		22,986	6,237	

*) Lihat Catatan 2h

*See Note 2h *)*

8. TAGIHAN DAN KEWAJIBAN DERIVATIF (lanjutan)

Seluruh tagihan derivatif pada tanggal 31 Desember 2006, 2005 dan 2004 digolongkan sebagai lancar.

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai.

8. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

All derivative receivables as at 31 December 2006, 2005 and 2004 are classified as pass.

Management believes that the above allowance for possible losses is adequate.

9. PINJAMAN YANG DIBERIKAN

Pinjaman yang diberikan kepada pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42e. Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

9. LOANS

Loans to related parties are disclosed in Note 42e. Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

a. Berdasarkan jenis dan mata uang / *a. By type and currency*

	2006						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Rupiah							***Rupiah***
Konsumsi	11,976,393	2,631,929	73,141	105,520	117,718	14,904,701	*Consumer*
Modal kerja	14,930,679	876,852	110,864	136,431	389,241	16,444,067	*Working capital*
Investasi	4,316,862	447,377	21,439	39,306	270,595	5,095,579	*Investment*
Ekspor	399,015	2,339	1,740	-	1,237	404,331	*Export*
Pinjaman direksi dan karyawan	8,484	-	-	-	-	8,484	*Loans to directors and employees*
	31,631,433	3,958,497	207,184	281,257	778,791	36,857,162	
Mata uang asing							***Foreign currencies***
Konsumsi	71,980	6,083	244	432	-	78,739	*Consumer*
Modal kerja	2,464,940	34,272	2,674	-	92,381	2,594,267	*Working capital*
Investasi	878,156	30,988	1,483	-	-	910,627	*Investment*
Ekspor	723,765	233	-	-	-	723,998	*Export*
	4,138,841	71,576	4,401	432	92,381	4,307,631	
	35,770,274	4,030,073	211,585	281,689	871,172	41,164,793	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	-	-	4,820	4,820	*Deferred income*
Penyisihan kerugian	357,794	173,516	26,796	137,780	717,443	1,413,329	*Allowance for possible losses*
Bersih	35,412,480	3,856,557	184,789	143,909	148,909	39,746,644	***Net***

9. PINJAMAN YANG DIBERIKAN (lanjutan) / ***9. LOANS*** *(continued)*

a. Berdasarkan jenis dan mata uang (lanjutan) / ***a. By type and currency*** *(continued)*

Jumlah pinjaman tersebut di atas termasuk pinjaman yang dibeli dari BPPN sebagai berikut:

Included in the above loan balances are loans purchased from IBRA as follows:

	2006						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Pinjaman yang dibeli dari BPPN:							*Loans purchased from IBRA:*
- Rupiah	21	-	-	-	61,173	61,194	*Rupiah -*
- Mata uang asing	4,802	-	-	-	-	4,802	*Foreign currencies -*
	4,823	-	-	-	61,173	65,996	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	-	-	4,269	4,269	*Deferred income*
Penyisihan kerugian	4,823	-	-	-	56,904	61,727	*Allowance for possible losses*
	-	-	-	-	-	-	

	2005						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Rupiah							***Rupiah***
Konsumsi	12,286,982	2,483,402	98,363	126,498	70,256	15,065,501	*Consumer*
Modal kerja	11,340,369	852,019	87,587	92,801	174,781	12,547,557	*Working capital*
Investasi	3,837,259	499,171	62,712	39,807	121,815	4,560,764	*Investment*
Ekspor	307,953	1,491	-	336	900	310,680	*Export*
Pinjaman direksi dan karyawan	69,538	-	-	-	-	69,538	*Loans to directors and employees*
	27,842,101	3,836,083	248,662	259,442	367,752	32,554,040	
Mata uang asing							***Foreign currencies***
Konsumsi	4,975	413	-	-	-	5,388	*Consumer*
Modal kerja	1,996,665	43,009	51,066	92	-	2,090,832	*Working capital*
Investasi	1,203,710	3,752	-	2,133	-	1,209,595	*Investment*
Ekspor	131,136	-	-	-	-	131,136	*Export*
Pinjaman direksi dan karyawan	4,323	-	-	-	-	4,323	*Loans to directors and employees*
	3,340,809	47,174	51,066	2,225	-	3,441,274	
	31,182,910	3,883,257	299,728	261,667	367,752	35,995,314	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	-	-	4,387	4,387	*Deferred income*
Penyisihan kerugian	348,025	231,372	42,375	139,539	255,754	1,017,065	*Allowance for possible losses*
Bersih	30,834,885	3,651,885	257,353	122,128	107,611	34,973,862	***Net***

9. PINJAMAN YANG DIBERIKAN (lanjutan) / ***9. LOANS*** *(continued)*

a. Berdasarkan jenis dan mata uang (lanjutan) / ***a. By type and currency*** *(continued)*

Jumlah pinjaman tersebut di atas termasuk pinjaman yang dibeli dari BPPN sebagai berikut:

Included in the above loan balances are loans purchased from IBRA as follows:

	2005						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Pinjaman yang dibeli dari BPPN:							*Loans purchased from IBRA:*
- Rupiah	-	-	-	-	61,173	61,173	*Rupiah -*
- Mata uang asing	7,107	-	-	-	-	7,107	*Foreign currencies -*
	7,107	-	-	-	61,173	68,280	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	-	-	4,269	4,269	*Deferred income*
Penyisihan kerugian	7,107	-	-	-	56,904	64,011	*Allowance for possible losses*
	-	-	-	-	-	-	

	2004						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Rupiah							***Rupiah***
Konsumsi	10,360,987	1,373,796	90,396	50,619	7,786	11,883,584	*Consumer*
Modal kerja	9,054,969	233,642	86,049	108,355	38,274	9,521,289	*Working capital*
Investasi	3,483,228	298,619	65,041	84,411	21,172	3,952,471	*Investment*
Ekspor	208,840	2,752	-	750	-	212,342	*Export*
Pinjaman direksi dan karyawan	8,283	-	-	-	-	8,283	*Loans to directors and employees*
	23,116,307	1,908,809	241,486	244,135	67,232	25,577,969	
Mata uang asing							***Foreign currencies***
Konsumsi	6,581	-	-	-	-	6,581	*Consumer*
Modal kerja	1,824,888	116,861	650	13,664	49,812	2,005,875	*Working capital*
Investasi	873,489	18,570	213,573	307,395	84,752	1,497,779	*Investment*
Ekspor	288,551	9,285	454	-	29,099	327,389	*Export*
	2,993,509	144,716	214,677	321,059	163,663	3,837,624	
	26,109,816	2,053,525	456,163	565,194	230,895	29,415,593	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	2,059	73,406	956	76,421	*Deferred income*
Penyisihan kerugian	510,324	287,494	136,231	442,609	229,939	1,606,597	*Allowance for possible losses*
Bersih	25,599,492	1,766,031	317,873	49,179	-	27,732,575	***Net***

9. PINJAMAN YANG DIBERIKAN (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

Jumlah pinjaman tersebut di atas termasuk pinjaman yang dibeli dari BPPN sebagai berikut:

***9. LOANS** (continued)*

***a. By type and currency** (continued)*

Included in the above loan balances are loans purchased from IBRA as follows:

	2004						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Pinjaman yang dibeli dari BPPN:							*Loans purchased from IBRA:*
- Rupiah	-	-	-	61,173	6,203	67,376	*Rupiah -*
- Mata uang asing	12,788	-	169,001	-	41,525	223,314	*Foreign currencies -*
	12,788	-	169,001	61,173	47,728	290,690	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	2,058	4,269	956	7,283	*Deferred income*
Penyisihan kerugian	12,788	-	166,943	56,904	46,772	283,407	*Allowance for possible losses*
	-	-	-	-	-	-	

Pinjaman yang diberikan dalam mata uang asing terutama terdiri dari Dolar Amerika Serikat, Dolar Singapura dan Yen.

Loans in foreign currencies are principally denominated in United States Dollars, Singapore Dollars and Yen.

Pada tanggal 31 Desember 2006, rasio pinjaman bermasalah *(NPL) gross* dan *net* terhadap total pinjaman yang diberikan adalah masing-masing sebesar 3,30% (2005: 2,57%; 2004: 4,00%) dan 1,16% (2005: 1,35%; 2004: 1,25%).

As at 31 December 2006, the percentage of gross and net non-performing loans (NPL) to total loans is 3.30% (2005: 2.57%; 2004: 4.00%) and 1.16% (2005: 1.35%; 2004: 1.25%), respectively.

Pinjaman yang diberikan dijamin dengan agunan yang diikat dengan hipotik, hak tanggungan atau surat kuasa untuk menjual, deposito berjangka dan jaminan lain yang diterima.

Loans are generally collateralised by registered mortgages, powers of attorney to mortgage or sell, time deposits and by other acceptable guarantees.

9. PINJAMAN YANG DIBERIKAN (lanjutan) / *LOANS (continued)*

b. Berdasarkan sektor ekonomi / *By economic sector*

	2006						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Rupiah							***Rupiah***
Perdagangan umum dan distribusi	10,055,510	689,102	92,009	113,962	237,338	11,187,921	*General trading and distribution*
Industri	5,066,506	119,619	8,866	36,071	274,031	5,505,093	*Manufacturing*
Listrik	18,056	100,974	54	50	238	119,372	*Electricity*
Perumahan	1,491,248	235,235	12,269	17,052	88,175	1,843,979	*Housing*
Pertanian	685,043	116,056	6,094	1,386	2,901	811,480	*Agriculture*
Jasa bisnis	1,878,228	97,822	5,471	3,288	45,889	2,030,698	*Business services*
Jasa pelayanan sosial	748,539	65,724	6,234	5,272	2,652	828,421	*Social services*
Transportasi	671,070	97,576	14,506	15,331	89,562	888,045	*Transportation*
Pertambangan	102,513	30,024	11	59	4,720	137,327	*Mining*
Konstruksi	276,369	6,494	28	25	2,118	285,034	*Construction*
Lain-lain	10,638,351	2,399,871	61,642	88,761	31,167	13,219,792	*Others*
	31,631,433	3,958,497	207,184	281,257	778,791	36,857,162	
Mata uang asing							***Foreign currencies***
Perdagangan umum dan distribusi	473,540	7,564	4,157	-	84	485,345	*General trading and distribution*
Industri	1,878,840	11,984	-	-	92,297	1,983,121	*Manufacturing*
Listrik	2,375	2,537	-	-	-	4,912	*Electricity*
Perumahan	910	251	-	-	-	1,161	*Housing*
Pertanian	95,683	-	-	-	-	95,683	*Agriculture*
Jasa bisnis	509,360	7,775	-	-	-	517,135	*Business services*
Jasa pelayanan sosial	33,816	-	-	-	-	33,816	*Social services*
Transportasi	264,550	35,232	-	-	-	299,782	*Transportation*
Pertambangan	693,777	-	-	-	-	693,777	*Mining*
Konstruksi	114,187	401	-	-	-	114,588	*Construction*
Lain lain	71,803	5,832	244	432	-	78,311	*Others*
	4,138,841	71,576	4,401	432	92,381	4,307,631	
	35,770,274	4,030,073	211,585	281,689	871,172	41,164,793	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	-	-	4,820	4,820	*Deferred Income*
Penyisihan kerugian	357,794	173,516	26,796	137,780	717,443	1,413,329	*Allowance for possible losses*
Bersih	35,412,480	3,856,557	184,789	143,909	148,909	39,746,644	***Net***

	2005						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Rupiah							***Rupiah***
Perdagangan umum dan distribusi	8,220,940	676,430	74,726	73,154	101,727	9,146,977	*General trading and distribution*
Industri	3,710,606	386,573	28,915	25,010	62,546	4,213,650	*Manufacturing*
Listrik	114,823	4,230	-	251	9	119,313	*Electricity*
Perumahan	1,880,045	322,785	22,180	20,544	34,944	2,280,498	*Housing*
Pertanian	620,741	44,417	1,373	2,239	704	669,474	*Agriculture*
Jasa bisnis	1,646,735	92,156	9,063	3,026	37,184	1,788,164	*Business services*
Jasa pelayanan sosial	307,467	35,161	2,180	2,616	3,874	351,298	*Social services*
Transportasi	498,731	79,891	32,949	20,767	74,161	706,499	*Transportation*
Pertambangan	65,272	14,336	68	3,204	4,846	87,726	*Mining*
Konstruksi	218,563	12,555	634	2,602	11,409	245,763	*Construction*
Lain-lain	10,558,178	2,167,549	76,574	106,029	36,348	12,944,678	*Others*
	27,842,101	3,836,083	248,662	259,442	367,752	32,554,040	

9. PINJAMAN YANG DIBERIKAN (lanjutan) / *LOANS (continued)*

b. Berdasarkan sektor ekonomi (lanjutan) / *By economic sector (continued)*

	2005						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Mata uang asing							***Foreign currencies***
Perdagangan umum dan distribusi	388,269	31,578	-	2,225	-	422,072	*General trading and distribution*
Industri	1,769,866	13,924	51,066	-	-	1,834,856	*Manufacturing*
Listrik	1,845	-	-	-	-	1,845	*Electricity*
Perumahan	6,306	413	-	-	-	6,719	*Housing*
Pertanian	81,492	-	-	-	-	81,492	*Agriculture*
Jasa bisnis	765,375	760	-	-	-	766,135	*Business services*
Transportasi	67,746	-	-	-	-	67,746	*Transportation*
Pertambangan	196,489	-	-	-	-	196,489	*Mining*
Konstruksi	63,421	499	-	-	-	63,920	*Construction*
	3,340,809	47,174	51,066	2,225	-	3,441,274	
	31,182,910	3,883,257	299,728	261,667	367,752	35,995,314	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	-	-	4,387	4,387	*Deferred Income*
Penyisihan kerugian	348,025	231,372	42,375	139,539	255,754	1,017,065	*Allowance for possible losses*
Bersih	30,834,885	3,651,885	257,353	122,128	107,611	34,973,862	***Net***

	2004						
	Lancar/ *Pass*	Dalam Perhatian Khusus/ *Special Mention*	Kurang Lancar/ *Substandard*	Diragukan/ *Doubtful*	Macet/ *Loss*	Jumlah/ *Total*	
Rupiah							***Rupiah***
Perdagangan umum dan distribusi	5,555,453	233,303	65,432	34,273	22,021	5,910,482	*General trading and distribution*
Industri	3,968,708	159,523	26,021	80,125	4,248	4,238,625	*Manufacturing*
Perumahan	2,149,589	226,104	32,696	19,360	6,800	2,434,549	*Housing*
Pertanian	626,799	45,652	6,062	633	678	679,824	*Agriculture*
Jasa bisnis	1,264,870	38,857	9,732	29,598	960	1,344,017	*Business services*
Jasa pelayanan sosial	218,088	7,984	3,069	226	-	229,367	*Social services*
Transportasi	658,204	36,198	35,880	47,680	30,792	808,754	*Transportation*
Pertambangan	50,066	812	1,948	-	-	52,826	*Mining*
Konstruksi	234,743	10,415	2,399	727	308	248,592	*Construction*
Lain-lain	8,389,787	1,149,961	58,247	31,513	1,425	9,630,933	*Others*
	23,116,307	1,908,809	241,486	244,135	67,232	25,577,969	
Mata uang asing							***Foreign currencies***
Perdagangan umum dan distribusi	221,902	33,800	213,573	9,021	71,139	549,435	*General trading and distribution*
Industri	1,529,766	110,916	1,104	4,643	88,053	1,734,482	*Manufacturing*
Perumahan	8,727	-	-	-	-	8,727	*Housing*
Pertanian	8,681	-	-	-	-	8,681	*Agriculture*
Jasa bisnis	754,774	-	-	-	-	754,774	*Business services*
Transportasi	119,978	-	-	-	-	119,978	*Transportation*
Pertambangan	197,106	-	-	-	-	197,106	*Mining*
Konstruksi	8,267	-	-	-	4,471	12,738	*Construction*
Lain-lain	144,308	-	-	307,395	-	451,703	*Others*
	2,993,509	144,716	214,677	321,059	163,663	3,837,624	
	26,109,816	2,053,525	456,163	565,194	230,895	29,415,593	
Dikurangi:							***Less:***
Pendapatan tangguhan	-	-	2,059	73,406	956	76,421	*Deferred Income*
Penyisihan kerugian	510,324	287,494	136,231	442,609	229,939	1,606,597	*Allowance for possible losses*
Bersih	25,599,492	1,766,031	317,873	49,179	-	27,732,575	***Net***

9. PINJAMAN YANG DIBERIKAN (lanjutan)

c. Pinjaman yang direstrukturisasi

Pinjaman yang direstrukturisasi meliputi antara lain penjadwalan ulang pembayaran pokok pinjaman dan bunga, penyesuaian tingkat suku bunga, pengurangan tunggakan bunga dan penambahan fasilitas pinjaman.

***9. LOANS** (continued)*

c. Restructured loans

Restructured loans consist of loans with rescheduled principal and interest payments, adjusted interest rates, reduced overdue interest, and increased loan facilities.

	2006	2005	2004	
Pinjaman yang direstrukturisasi	1,630,816	876,298	1,045,483	*Restructured loans*
Dikurangi:				***Less:***
Penyisihan kerugian	276,149	119,449	453,309	*Allowance for possible losses*
	1,354,667	756,849	592,174	

d. Pinjaman sindikasi

Pinjaman sindikasi merupakan pinjaman yang diberikan kepada debitur berdasarkan perjanjian pembiayaan bersama (sindikasi) dengan bank-bank lain. Jumlah pinjaman sindikasi pada tanggal 31 Desember 2006 adalah sebesar Rp 100.383 (2005: Rp 121.555; 2004: Rp 326.397). Keikutsertaan Bank dalam pinjaman sindikasi sebagai anggota adalah sebesar 5% - 66,67% (2005: 6,5% - 31,79%; 2004: 3,71% - 35,5%) dari masing-masing fasilitas pinjaman.

d. Syndicated loans

Syndicated loans represent loans provided to debtors under syndication agreements with other banks. Total syndicated loans as at 31 December 2006 amount to Rp 100,383 (2005: Rp 121,555; 2004: Rp 326,397). The participation of the Bank as a member of syndications is between 5% - 66.67% (2005: 6.5% - 31.79%; 2004: 3.71% - 35.5%) of each syndicated loan facility.

e. Pinjaman yang dibeli dari BPPN

Total akumulasi pinjaman yang dibeli dari BPPN sampai dengan 31 Desember 2006 adalah sebesar Rp 7.829.245 (2005 dan 2004: Rp 7.829.245) dengan harga beli Rp 1.337.135 (2005 dan 2004: Rp 1.337.135).

Dari harga pembelian tersebut sebesar Rp 594.877 (2005 dan 2004: Rp 594.877) telah dibuatkan perjanjian kredit baru dengan debitur.

e. Loans purchased from IBRA

Total cumulative loans purchased from IBRA as at 31 December 2006 amounted to Rp 7,829,245 (2005 and 2004: Rp 7,829,245) with a purchase price of Rp 1,337,135 (2005 and 2004: Rp 1,337,135).

For loans with a total purchase price of Rp 594,877 (2005 and 2004: Rp 594,877), new credit agreements have been signed with debtors.

9. PINJAMAN YANG DIBERIKAN (lanjutan)

e. Pinjaman yang dibeli dari BPPN (lanjutan)

Selama tahun 2006, Bank menerima pelunasan sebesar Rp 1.708 (2005: Rp 121.539; 2004: Rp 432.050) atas pokok kredit Rp 1.708 (2005: Rp 245.740; 2004: Rp 605.058) dengan nilai penyisihan kerugian sebesar Rp 1.708 (2005: Rp 215.215; 2004: Rp 605.058). Nilai pokok kredit dan penyisihan kerugian adalah setelah dikurangi dengan selisih antara pokok pinjaman dengan harga pembelian. Nilai pokok kredit yang tidak dilunasi sebesar Rp nihil (2005: Rp 124.201 dan 2004: Rp 187.663) dihapusbukukan, sedangkan kelebihan penerimaan karena pelunasan di atas pokok kredit sebesar Rp nihil (2005: Rp nihil; 2004: Rp 14.655) dicatat sebagai pendapatan lain-lain.

Berikut adalah ikhtisar perubahan kredit yang dibeli dari BPPN selama tahun berjalan:

***9. LOANS** (continued)*

***e. Loans purchased from IBRA** (continued)*

During 2006, the Bank received settlements of Rp 1,708 (2005: Rp 121,539; 2004: Rp 432,050) on loan principal balances of Rp 1,708 (2005: Rp 245,740; 2004: Rp 605,058) with an allowance for possible lossess of Rp 1,708 (2005: Rp 215,215; 2004: Rp 605,058). The loan principal balances and allowance for possible losses were netted off with the balance of the difference between loan principal and purchase price. The remaining unpaid loan principal of Rp nil (2005: Rp 124,201 and 2004: Rp 187,663) was written-off, while the excess of loan settlement over the loan principal balance of Rp nil (2005: Rp nil; 2004: Rp 14,655) was recorded as other income.

Below is the summary movement of loans purchased from IBRA during the year:

	2006	2005	2004	
Pokok pinjaman				***Loan principal***
Saldo 1 Januari	68,280	290,690	2,705,243	*Balance as at 1 January*
Pembelian kredit dari BPPN di mana perjanjian pengalihan piutang ditanda-tangani di tahun berjalan	-	-	248,521	*Loans purchased from IBRA where the cessie receivables agreement was signed during the year*
Penerimaan pinjaman selama tahun berjalan	(1,708)	(121,539)	(432,050)	*Loan repayments during the year*
Penghapusbukuan selama tahun berjalan	-	(124,201)	(2,338,085)	*Write-offs during the year*
Penyesuaian karena penjabaran mata uang asing	(576)	23,330	107,061	*Foreign exchange translation adjustment*
Saldo 31 Desember	65,996	68,280	290,690	*Balance as at 31 December*
Selisih antara pokok pinjaman dengan harga pembelian pinjaman dan penyisihan kerugian				***Difference between loan principal and purchase price and allowance for possible losses***
Saldo 1 Januari	(64,011)	(283,407)	(2,578,769)	*Balance as at 1 January*
Selisih antara pokok pinjaman dan harga pembelian	-	-	(213,728)	*Difference between loans principal and purchase price*
Koreksi PPAP atas penerimaan kredit tahun berjalan	-	-	(156,950)	*Correction of allowance for possible losses due to loan repayment during the year*
Penerimaan pinjaman selama tahun berjalan	1,708	88,653	417,395	*Loan repayments during the year*
Penghapusbukuan selama tahun berjalan	-	123,224	2,290,387	*Write-offs during the year*
Penyesuaian karena penjabaran mata uang asing	576	7,519	(41,742)	*Foreign exchange translation adjustment*
Saldo 31 Desember	(61,727)	(64,011)	(283,407)	*Balance as at 31 December*
	4,269	4,269	7,283	

9. PINJAMAN YANG DIBERIKAN (lanjutan) / ***9. LOANS*** *(continued)*

e. Pinjaman yang dibeli dari BPPN (lanjutan) / ***e. Loans purchased from IBRA*** *(continued)*

	2006	2005	2004	
Pendapatan tangguhan				***Deferred income***
Saldo 1 Januari	(4,269)	(7,283)	(54,467)	*Balance as at 1 January*
Penerimaan pinjaman selama tahun berjalan	-	2,109	14,100	*Loan repayments during the year*
Penghapusbukuan selama tahun berjalan	-	977	33,770	*Write-offs during the year*
Penyesuaian karena penjabaran mata uang asing	-	(72)	(686)	*Foreign exchange translation adjustment*
Saldo 31 Desember	(4,269)	(4,269)	(7,283)	*Balance as at 31 December*
Bersih	-	-	-	***Net***

f. Penyisihan kerugian / ***f. Allowance for possible losses***

Perubahan penyisihan kerugian adalah sebagai berikut: / *Movements in the allowance for possible losses are as follows:*

	2006	2005	2004	
Saldo 1 Januari	953,054	1,323,190	1,745,200	*Balance as at 1 January*
Penambahan/(pengurangan) penyisihan kerugian selama tahun berjalan	1,060,229	55,017	(164,380)	*Increase /(decrease) in allowance for possible losses during the year*
Reklasifikasi ke cadangan lain-lain	-	(2,051)	(73,346)	*Reclassification to other reserves*
Penerimaan atas pinjaman yang telah dihapusbukukan	194,490	240,385	163,380	*Recoveries from loans written off*
Penghapusbukuan selama tahun berjalan	(833,780)	(664,845)	(326,797)	*Write-offs during the year*
Penyesuaian karena penjabaran mata uang asing	(22,391)	1,358	(20,867)	*Foreign exchange translation adjustment*
	1,351,602	953,054	1,323,190	
Ditambah:				***Add:***
Pinjaman yang dibeli dari BPPN:				*Loans purchased from IBRA:*
- Penyisihan kerugian	61,727	64,011	283,407	*Allowance for possible losses -*
Saldo 31 Desember	1,413,329	1,017,065	1,606,597	*Balance as at 31 December*

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai. / *Management believes that the above allowance for possible losses is adequate.*

9. PINJAMAN YANG DIBERIKAN (lanjutan)

g. Pembiayaan bersama

Bank mengadakan perjanjian pemberian fasilitas pembiayaan bersama dengan beberapa lembaga pembiayaan untuk membiayai kepemilikan kendaraan bermotor dan elektronik. Jumlah saldo fasilitas pembiayaan bersama dengan dan tanpa *recourse* pada tanggal 31 Desember 2006 adalah sebesar Rp 362.774 dan Rp 8.516.082 (2005: Rp 55.011 dan Rp 8.860.431; 2004: Rp nihil dan Rp 4.692.956) yang termasuk dalam pinjaman konsumsi (lihat Catatan 9a).

h. Kredit kelolaan

Kredit kelolaan adalah kredit yang diterima oleh Bank dari Bank Indonesia untuk diteruskan membiayai proyek-proyek pertanian di Indonesia. Bank tidak menanggung risiko atas kredit kelolaan yang diteruskan ini.

Pada tanggal 31 Desember 2006 saldo kredit kelolaan adalah Rp 350.816 (2005: Rp 351.429; 2004: Rp 352.024).

i. Pinjaman lain-lain

Bank juga mengadakan perjanjian dengan beberapa lembaga pembiayaan untuk pengambilalihan piutang pembiayaan konsumen. Untuk perjanjian piutang tanpa *recourse*, risiko kredit akhir berada pada debitur lembaga pembiayaan, sedangkan untuk perjanjian dengan *recourse*, risiko kredit akhir berada pada lembaga pembiayaan. Jumlah saldo fasilitas yang dibiayai Bank pada tanggal 31 Desember 2006 untuk perjanjian dengan dan tanpa *recourse* adalah sebesar Rp 1.317.164 dan Rp 1.195.683 (2005: Rp 2.066.676 dan Rp 599.584; 2004: Rp 1.858.165 dan Rp 1.606.597).

***9. LOANS** (continued)*

g. Joint financing

The Bank has entered into joint financing agreements with several multi-finance companies for financing retail purchases of vehicles and consumer durables. The outstanding balance of these agreements with and without recourse as at 31 December 2006 is Rp 362,774 and Rp 8,516,082 respectively (2005: Rp 55,011 and Rp 8,860,431; 2004: Rp nil and Rp 4,692,956) included under consumer loans (see Note 9a).

h. Channelling loans

Channelling loans are loans received by the Bank from Bank Indonesia which have been channelled to finance agricultural projects in Indonesia. The Bank bears no credit risk on these loans.

As at 31 December 2006, the balance of channelling loans is Rp 350,816 (2005: Rp 351,429; 2004: Rp 352,024).

i. Other loans

The Bank has also entered into agreements with several multi-finance companies taking over consumer financing receivables. For agreements without recourse, the ultimate credit risk is with the customers of the finance companies, whilst for the agreements with recourse, the ultimate credit risk is with the respective multi finance companies. The outstanding balance with and without recourse as at 31 December 2006 is Rp 1,317,164 and Rp 1,195,683 respectively (2005: Rp 2,066,676 and Rp 599,584; 2004: Rp 1,858,165 and Rp 1,606,597, respectively).

9. PINJAMAN YANG DIBERIKAN (lanjutan)

i. Pinjaman lain-lain (lanjutan)

Di bulan Pebruari 2006, Bank dan *American Express Bank Ltd.* ("AMEX") menandatangani "*Business Transfer Agreement*" dimana AMEX akan menjual portofolio aktiva dan kewajiban kartu kredit kepada Bank. Selain itu Bank dan AMEX juga menandatangani "*Independent Operator Agreement*" yang memberikan hak eksklusif bagi Bank untuk menerbitkan dan melakukan bisnis kartu kredit AMEX di Indonesia untuk periode 8 tahun sejak tanggal 31 Agustus 2006 dengan periode eksklusif .

j. Informasi pokok lainnya sehubungan dengan pinjaman yang diberikan

Termasuk dalam pinjaman yang diberikan dalam mata uang Rupiah, pada tanggal 31 Desember 2006 adalah pembiayaan syariah sebesar Rp 220.337 (2005: Rp 136.422; 2004: Rp 180.785).

***9. LOANS** (continued)*

***i. Other loans** (continued)*

In February 2006, the Bank and American Express Bank Ltd. ("AMEX") entered into a Business Transfer Agreement pursuant to which AMEX will sell its Indonesia's credit card assets and liabilities to the Bank. In addition to that, both parties also entered into an Independent Operator Agreement pursuant to which the Bank shall be authorised to act as an issuer of credit cards in Indonesia, to enter into contracts as an acquirer of credit cards and otherwise to engage in AMEX card services for 8 years starting from 31 August 2006 with the period of exclusivity.

j. Other significant information relating to loans

Included in loans denominated in Rupiah as at 31 December 2006 is syariah financing amounting to Rp 220,337 (2005: Rp 136,422; 2004: Rp 180,785).

10. PIUTANG PEMBIAYAAN KONSUMEN

Piutang pembiayaan konsumen kepada pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42f. Informasi mengenai jatuh tempo diungkapkan pada Catatan 47.

Piutang pembiayaan konsumen Anak Perusahaan adalah:

10. CONSUMER FINANCING RECEIVABLES

Consumer financing receivables to related party is disclosed in Note 42f. Information in respect of maturities is disclosed in Note 47.

The Subsidiaries' consumer financing receivables are:

	2006	2005	2004	
Piutang pembiayaan konsumen-bruto				*Consumer financing receivables - gross*
Terdiri dari:				***Consists of:***
- Pihak yang mempunyai hubungan istimewa	16,275	-	-	*Related party -*
- Pihak ketiga	15,452,889	13,695,740	9,748,236	*Third parties -*
	15,469,164	13,695,740	9,748,236	
Pendapatan pembiayaan konsumen yang belum diakui				*Unearned income on consumer financing*
- Pihak yang mempunyai hubungan istimewa	(2,176)	-	-	*Related party -*
- Pihak ketiga	(3,944,665)	(3,436,268)	(2,535,923)	*Third parties -*
	(3,546,841)	(3,436,268)	2,535,923	
	11,522,323	10,259,472	7,212,313	
Dikurangi:				***Less:***
Bagian piutang pembiayaan yang dibiayai pihak lain	9,700,810	9,498,162	6,333,653	*Portion of receivables financed by other parties*
	1,821,513	761,310	878,660	
Penyisihan kerugian	39,111	20,864	23,808	*Allowance for possible losses*
Bersih	1,782,402	740,446	854,852	***Net***

10. PIUTANG PEMBIAYAAN KONSUMEN (lanjutan)

10. CONSUMER FINANCING RECEIVABLES *(continued)*

Suku bunga efektif per tahun untuk pembiayaan konsumen adalah sebagai berikut:

Effective interest rates for consumer financing are as follows:

Produk	2006	2005	2004	*Products*
Mobil	22.90% - 28.90%	19.60% - 27.00%	19.60% - 24.00%	*Automobiles*
Motor	32.10% - 39.80%	30.30% - 40.00%	30.30% - 37.30%	*Motorcycles*
Elektronik	33.50% - 58.40%	42.10% - 59.50%	35.50% - 47.80%	*Consumer Durables*

Penyisihan kerugian / ***Allowance for possible losses***

Perubahan penyisihan kerugian adalah sebagai berikut:

Movements in the allowance for possible losses are as follows:

	2006	2005	2004	
Saldo 1 Januari	20,864	23,808	-	*Balance at 1 January*
Penambahan karena akuisisi Anak Perusahaan	5	-	32,362	*Addition due to acquisition of Subsidiaries*
Penambahan penyisihan kerugian selama tahun berjalan	40,167	46,020	48,415	*Increase in allowance for possible losses during the year*
Penghapusbukuan selama tahun berjalan	(21,925)	(48,964)	(56,969)	*Write-offs during the year*
Saldo 31 Desember	39,111	20,864	23,808	*Balance at 31 December*

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai.

Management believes that the above allowance for possible losses is adequate.

Sebagai jaminan atas piutang pembiayaan konsumen yang diberikan, Anak Perusahaan menerima jaminan dari konsumen berupa Bukti Pemilikan Kendaraan Bermotor (BPKB) atas kendaraan bermotor yang dibiayai.

The consumer financing receivables are secured by the Certificates of Ownership (BPKB) of the vehicles financed by the Subsidiary.

Piutang pembiayaan konsumen yang dijadikan jaminan atas obligasi yang diterbitkan dan fasilitas pinjaman yang diterima Anak Perusahaan per tanggal 31 Desember 2006 seperti yang dijelaskan pada Catatan 21 dan 22 adalah sejumlah Rp 934.250 dan Rp 222.916 (2005: Rp 500.000 dan Rp nihil; 2004: Rp 500.000 dan Rp 317.562).

The total consumer financing receivables which were pledged as collateral for bonds issued and borrowing facilities granted to the Subsidiaries as at 31 December 2006, as disclosed in Notes 21 and 22, amounts to Rp 934,250 and Rp 222,916 (2005: Rp 500,000 and Rp nil; 2004: Rp 500,000 and Rp 317,562).

11. TAGIHAN AKSEPTASI / *11. ACCEPTANCE RECEIVABLES*

Informasi mengenai jatuh tempo diungkapkan pada Catatan 47. / *Information in respect of maturities is disclosed in Note 47.*

	2006	2005	2004	
Pihak ketiga				***Third parties***
Rupiah	22,421	638	-	*Rupiah*
Mata uang asing	596,855	521,354	522,884	*Foreign currencies*
	619,276	521,992	522,884	
Dikurangi:				***Less:***
Penyisihan kerugian	6,219	5,420	5,835	*Allowance for possible losses*
	613,057	516,572	517,049	

Manajemen berpendapat bahwa jumlah penyisihan kerugian di atas telah memadai. / *Management believes that the above allowance for possible losses is adequate.*

12. OBLIGASI PEMERINTAH / *12. GOVERNMENT BONDS*

Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48. / *Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.*

a. Berdasarkan jenis / *a. By type*

	2006	2005	2004	
Dimiliki hingga jatuh tempo				***Held to maturity***
- Suku bunga tetap	1,886,749	1,954,804	2,370,346	*Fixed interest rate* -
- Suku bunga mengambang	4,800,000	5,925,000	9,586,428	*Floating interest rate* -
	6,686,749	7,879,804	11,956,774	
Tersedia untuk dijual				***Available for sale***
- Suku bunga tetap	8,103,061	3,382,209	5,074,530	*Fixed interest rate* -
- Suku bunga mengambang	2,955,182	2,677,575	3,096	*Floating interest rate* -
	11,058,243	6,059,784	5,077,626	
Diperdagangkan				***Trading***
- Suku bunga tetap	908,550	137,612	289,789	*Fixed interest rate* -
- Suku bunga mengambang	48,750	24,805	-	*Floating interest rate* -
	957,300	162,417	289,789	
Jumlah	18,702,292	14,102,005	17,324,189	***Total***

12. OBLIGASI PEMERINTAH (lanjutan)

a. Berdasarkan jenis (lanjutan)

Pada tanggal 31 Desember 2006 termasuk dalam Obligasi Pemerintah yang dimiliki hingga jatuh tempo sejumlah Rp 1.000.000 (2005 dan 2004: Rp 1.000.000) dan dalam kelompok tersedia dijual sejumlah Rp 3.000.000 (2005: Rp 1.875.000 dan 2004: Rp nihil) yaitu obligasi yang dijual dengan janji dibeli kembali. Kewajiban atas pembelian kembali Obligasi Pemerintah sebesar Rp 4.000.000 (2005: Rp 2.875.000 dan 2004: Rp 1.000.000) disajikan pada akun efek yang dijual dengan janji dibeli kembali. Kewajiban atas pembelian kembali Obligasi Pemerintah sejumlah Rp 1.000.000 berikut tanggal jatuh tempo dari Obligasi Pemerintah tersebut adalah 15 Juli 2007, sedangkan kewajiban atas pembelian kembali Obligasi Pemerintah sejumlah Rp 1.875.000 dan Rp 1.125.000 jatuh tempo pada tanggal 27 Januari 2008; 25 Mei 2008; dan 25 dan 29 Mei 2009, dan jatuh tempo dari Obligasi Pemerintah itu sendiri adalah 25 Desember 2014 dan 25 April 2015.

Obligasi Pemerintah dengan nilai nominal setara dengan Rp 36.637.463 (2005: Rp 9.295.539; 2004: Rp 17.405.209) telah dijual selama tahun 2006 pada harga yang berkisar antara 84,30% - 123,25% dari nilai nominal (2005: 76,45% - 123,55%; 2004: 96,58% - 124,20%). Sementara itu, Obligasi Pemerintah dengan nilai nominal setara dengan Rp 39.943.947 telah dibeli selama tahun 2006 pada harga yang berkisar antara 84,25% - 129% dari nilai nominal (2005: Rp 7.038.642 pada harga berkisar antara 80,65% - 123,50%; 2004: Rp 12.802.178 pada harga berkisar antara 79,20% - 124,20%).

Pada tanggal 31 Desember 2006, nilai pasar Obligasi Pemerintah yang dimiliki hingga jatuh tempo dengan tingkat suku bunga tetap berkisar antara 102% - 104,50% (2005: 98,55% - 99,975%; 2004: 100,00% - 107,19%) dan tingkat suku bunga mengambang berkisar antara 97,50% - 100,05% dari nilai nominal obligasi. Tidak tersedia nilai pasar yang dapat diandalkan atas Obligasi Pemerintah milik Bank dengan tingkat suku bunga mengambang di tahun 2005 dan 2004.

***12. GOVERNMENT BONDS** (continued)*

***a. By type** (continued)*

As at 31 December 2006 included in the Government Bonds classified as held to maturity is an amount of Rp 1,000,000 (2005 and 2004: Rp 1,000,000) and included in the available for sale an amount of Rp 3,000,000 (2005: Rp 1,875,000 and 2004: Rp nil) which represent bonds sold under repurchase agreement. The corresponding liability in relation to this agreement of Rp 4,000,000 (2005: Rp 2,875,000 and 2004: Rp 1,000,000) is presented under the account securities sold under repurchase agreements. The liability in relation to the repurchase agreement of Government Bonds of Rp 1,000,000 and the maturity of the corresponding Bonds itself is 15 July 2007, the repurchase agreements for the remaining Government Bonds amounting to Rp 1,875,000 and Rp 1,125,000 are due on 27 January 2008; 25 May 2008; and 25 and 29 May 2009, and the maturity of the corresponding Government Bonds are on 25 December 2014 and 25 April 2015.

Government Bonds with total nominal value equivalent to Rp 36,637,463 (2005: Rp 9,295,539; 2004: Rp 17,405,209) have been sold during 2006 at prices ranging from 84.30% - 123.25% of nominal value (2005: 76.45% - 123.55%; 2004: 96.58% - 124.20%). Government Bonds with total nominal value equivalent to Rp 39,943,947 have been bought during 2006 at prices ranging from 84.25% - 129% *of nominal value (2005: Rp 7,038,642 at prices ranging from 80.65% - 123.50%; 2004: Rp 12,802,178 at price ranging from 79.20% - 124.20%).*

As at 31 December 2006, the market value of Government Bonds held to maturity with fixed interest rates ranges from 102% - 104.50% (*2005: 98.55% - 99.975%; 2004: 100.00% - 107.19%) and floating interest rates ranges from 97.50% - 100.05% of nominal amounts. There is no reliable market value available for the Bank's Government Bonds with floating interest rates in 2005 and 2004.*

12. OBLIGASI PEMERINTAH (lanjutan)

a. Berdasarkan jenis (lanjutan)

Selama tahun 2006, Obligasi Pemerintah dalam kelompok dimiliki hingga jatuh tempo yang diterima oleh Bank dalam rangka program rekapitalisasi dengan nilai nominal sebesar Rp 1.125.000 (2005: Rp 1.875.000) telah dipindahkan ke kelompok tersedia untuk dijual dalam rangka transaksi efek yang dijual dengan janji dibeli kembali yang telah dijelaskan sebelumnya. Kerugian yang belum direalisasi yang timbul karena perpindahan tersebut sebesar Rp 9.788 (2005: Rp 47.125) dicatat pada akun ekuitas.

Pada tanggal 21 Juli 2005, Bank mengikuti program lelang pembelian kembali obligasi negara oleh Pemerintah untuk Obligasi Pemerintah yang jatuh tempo antara tanggal 1 Januari 2006 dan 31 Desember 2010. Pembelian kembali ini merupakan pelunasan sebelum jatuh tempo (*redemption*) dengan tunai.

Dalam program lelang tersebut, Bank menawarkan Obligasi Pemerintah seri VR 11 dan VR 12 dalam kelompok dimiliki hingga jatuh tempo dengan jumlah nilai nominal sebesar Rp 1.786.428. Dari jumlah tersebut, Obligasi Pemerintah dengan nominal sebesar Rp 400.000 dibeli kembali oleh Pemerintah dan sisanya dipindahkan ke kelompok tersedia untuk dijual. Kerugian atas pelunasan sebelum jatuh tempo sebesar Rp 7.000 dibebankan dalam laporan laba rugi konsolidasian tahun berjalan, sedangkan kerugian belum direalisasi atas sisa Obligasi Pemerintah yang dipindahkan ke kelompok tersedia dijual sebesar Rp 26.523 dicatat pada akun ekuitas.

Pada tanggal 31 Desember 2006, kerugian bersih yang belum direalisasi atas penurunan nilai wajar Obligasi Pemerintah dalam klasifikasi diperdagangkan diakui sebagai beban dalam laporan laba rugi konsolidasian sebesar Rp 1.873 (2005: keuntungan yang belum direalisasi Rp 1.654; 2004: kerugian yang belum direalisasi Rp 1.443).

***12. GOVERNMENT BONDS** (continued)*

***a. By type** (continued)*

During 2006, Government Bonds received by the Bank through the recapitalisation program classified as held to maturity with a nominal value of Rp 1,125,000 (2005: Rp 1,875,000) have been reclassified to the available for sale portfolio in relation to transaction of securities sold under repurchase agreements, as discussed above. An unrealised loss due to the above reclassification of Rp 9,788 (2005: Rp 47,125) was recorded in equity.

On 21 July 2005, the Bank participated in a Government Bonds buy back auction for Bonds with maturities between 1 January 2006 to 31 December 2010. This buy back was considered as an early cash redemption.

In this auction, the Bank offered held to maturity VR 11 and VR 12 series Government Bonds with total nominal value of Rp 1,786,428. Government Bonds with nominal value of Rp 400,000 were bought back by the Government and the remaining balance was reclassified into available for sale portfolio. The loss on the early redemption of Rp 7,000 was recognised in the consolidated statement of income, while unrealised losses result from reclassification of the remaining Government Bonds into available for sale of Rp 26,523 were recorded in equity.

As at 31 December 2006, unrealised net losses arising from the decrease in fair value of Government Bonds classified as trading securities were recorded as expenses in the consolidated statement of income amounting to Rp 1,873 (2005: unrealised gains Rp 1,654; 2004: unrealised losses Rp 1,443).

12. OBLIGASI PEMERINTAH (lanjutan)

a. Berdasarkan jenis (lanjutan)

Akumulasi keuntungan yang belum direalisasi atas kenaikan nilai wajar Obligasi Pemerintah dalam klasifikasi tersedia untuk dijual yang dicatat di bagian ekuitas sebesar Rp 212.906 (setelah pajak) selama tahun 2006 (2005: akumulasi kerugian yang belum direalisasi Rp 168.403 dan 2004: akumulasi keuntungan yang belum direalisasi Rp 788.843).

Bank mengakui keuntungan bersih atas penjualan Obligasi Pemerintah sejumlah Rp 304.652 selama tahun 2006 (2005: Rp 434.020; 2004: Rp 426.921).

***12. GOVERNMENT BONDS** (continued)*

***a. By type** (continued)*

Accumulated unrealised gains arising from the increase in fair value of Government Bonds classified as available for sales securities recorded in equity amounted to Rp 212,906 (net of tax) during 2006 (2005: accumulated unrealised losses Rp 168,403 and 2004: accumulated unrealised gains Rp 788,843).

The Bank recognised a gain from the sale of Government Bonds amounting to Rp 304,652 during 2006 (2005: Rp 434,020; 2004: Rp 426,921).

b. Berdasarkan mata uang / ***b. By currency***

	2006	2005	2004	
- Rupiah	17,156,602	11,987,011	16,208,009	*Rupiah* -
- Dolar Amerika Serikat	1,545,690	2,114,994	1,116,180	*United States Dollars* -
	18,702,292	14,102,005	17,324,189	

c. Program *reprofiling*

Pada tanggal 25 Pebruari 2003, Pemerintah Indonesia melaksanakan program *reprofiling* Obligasi Pemerintah dengan menarik dan menyatakan lunas Obligasi Pemerintah tertentu. Sebagai pengganti Obligasi Pemerintah yang dilunasi tersebut, Departemen Keuangan menerbitkan Obligasi Pemerintah baru.

Berdasarkan progam ini, Obligasi Pemerintah milik Bank sebesar Rp 7.800.000 (nilai nominal) dan masa jatuh tempo pada awalnya berkisar antara 2007 - 2009 telah ditarik dan diganti dengan Obligasi Pemerintah baru, yang memiliki jenis dan nilai nominal yang sama dan masa jatuh tempo antara 2014 – 2015. Saldo pada tanggal 31 Desember 2006 adalah sebesar Rp 5.800.000 (nilai nominal) (2005 dan 2004: Rp 7.800.000).

c. Reprofiling program

On 25 February 2003, the Government of Indonesia launched a reprofiling program of Government Bonds by withdrawing and declaring settlement of certain Government Bonds. The Ministry of Finance issued new Government Bonds to replace the settled Government Bonds.

Under this program, the Bank's Government Bonds amounting to Rp 7,800,000 (nominal value) with original maturities between 2007 - 2009 were withdrawn and replaced by new Government Bonds, with the same principal amount and type and maturities between 2014 – 2015. Outstanding balance as at 31 December 2006 amounts to Rp 5,800,000 (nominal value) (2005 and 2004: Rp 7,800,000).

13. PENYERTAAN / *13. INVESTMENTS*

Investasi dicatat menggunakan: / *Investments recorded under:*	Biaya perolehan/ *Cost*			Bagian Bank atas laba bersih setelah dikurangi dividen/ *Bank's share of net income -net with dividend*			Nilai tercatat/ *Carrying value*		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
Metode ekuitas	-	-	42,465	-	-	9,142	-	-	51,607
Metode biaya	12,174	12,080	25,430	-	-	-	12,174	12,080	25,430
							12,174	12,080	77,037
Dikurangi: / ***Less:***									
Penyisihan penurunan nilai investasi / *Allowance for diminution in value*							122	122	414
							12,052	11,958	76,623

Manajemen berpendapat bahwa jumlah penyisihan penurunan nilai investasi di atas telah memadai.

Management believes that the above allowance for diminution in value is adequate.

Penyertaan jangka panjang tersebut di atas mencakup:

The above long-term investments include:

Nama perusahaan/*Company's name*	Kegiatan usaha/*Business activity*	Persentase kepemilikan/ *Percentage of ownership* 2006	2005	2004
Metode ekuitas/*Equity method*				
PT DBS Vickers Securities Indonesia	Sekuritas/*Securities*	-	-	25%
PT ITC (Itochu) Adira Multi Finance	Perusahaan Pembiayaan/ *Financing Company*	-	-	25%
Metode biaya/*Cost method*				
PT Korean Exchange Bank Danamon	Bank/*Banking*	-	-	15%
PT Bank Woori Indonesia	Bank/*Banking*	4.81%	4.81%	4.81%
PT Bank Chinatrust Indonesia	Bank/*Banking*	1%	1%	1%
Lain-lain/*Others*	Modal Ventura, Telekomunikasi/ *Joint Venture, Telecommunication*	0.24% - 5.47%	0.24% - 5.47%	0.24% - 5.28%

Kepemilikan Bank atas PT DBS Vickers Securities Indonesia dan PT Korean Exchange Bank Danamon telah dijual di tahun 2005. Keuntungan atas transaksi ini sebesar Rp 103.871 dibukukan sebagai pendapatan bukan operasional (lihat Catatan 36).

The Bank's shares in PT DBS Vickers Securities Indonesia and PT Korean Exchange Bank Danamon have been sold in 2005. The gain resulting from this transaction amounting to Rp 103,871 is recorded as non-operating income (see Note 36).

Kepemilikan Bank atas PT ITC (Itochu) Adira Multi Finance telah dijual di bulan Juni 2005 (lihat Catatan 1c).

Bank's ownership of PT ITC (Itochu) Adira Multi Finance has been sold in June 2005 (see Note 1c).

14. *GOODWILL* / *14. GOODWILL*

Goodwill timbul dari pembelian 75% dari jumlah saham yang dikeluarkan oleh PT Adira Dinamika Multi Finance ("ADMF"), 90% saham PT Asuransi Adira Dinamika ("AI") dan 90% saham PT Adira Quantum Multifinance ("AQ") (lihat Catatan 1c).

Goodwill arose from the purchase of 75% of the issued shares of PT Adira Dinamika Multi Finance ("ADMF"), 90% of the shares of PT Asuransi Adira Dinamika ("AI") and 90% of the shares of PT Adira Quantum Multifinance ("AQ") (see Note 1c).

14. *GOODWILL* *(lanjutan)* / *14. GOODWILL (continued)*

	2006	2005	2004	
Harga perolehan	850,000	850,000	850,000	*Acquisition costs*
Nilai wajar aktiva bersih ADMF, AI dan AQ (lihat Catatan 1c)	(182,128)	(154,211)	(154,211)	*Fair value of net assets of ADMF, AI and AQ (see Note 1c)*
Goodwill	667,872	695,789	695,789	*Goodwill*
Dikurangi:				***Less:***
Akumulasi amortisasi	250,453	173,948	86,974	*Accumulated amortisation*
Nilai buku bersih	417,419	521,841	608,815	*Net book value*
Beban amortisasi tahun berjalan (lihat Catatan 1c dan 37)	76,505	86,974	86,974	*Amortisation expense during the year (see Notes 1c and 37)*

15. AKTIVA TETAP / *15. FIXED ASSETS*

	2006				
	1 Januari / *January*	Penambahan / *Additions*	Pengurangan / *Disposals*	31 Desember / *December*	
Harga perolehan/ nilai revaluasi					***Cost/ revalued amount***
Tanah	552,151	1,922	8,224	545,849	*Land*
Bangunan	472,143	27,572	6,716	492,999	*Buildings*
Perlengkapan kantor	992,677	276,902	71,246	1,198,333	*Office equipment*
Kendaraan bermotor	214,215	90,486	37,765	266,936	*Motor vehicles*
	2,231,186	396,882	123,951	2,504,117	
Aktiva dalam penyelesaian	2,189	7,616	3,182	6,623	*Assets under construction*
Akumulasi penyusutan					***Accumulated depreciation***
Bangunan	74,579	31,360	1,914	104,025	*Buildings*
Perlengkapan kantor	627,706	169,348	54,031	743,023	*Office equipment*
Kendaraan bermotor	51,062	51,215	13,121	89,156	*Motor vehicles*
	753,347	251,923	69,066	936,204	
Nilai buku bersih	1,480,028			1,574,536	***Net book value***

Termasuk dalam penambahan aktiva tetap di tahun 2006 adalah saldo harga perolehan Rp 29.445 dan akumulasi penyusutan aktiva tetap Rp 10.945 Anak Perusahaan: PT Asuransi Adira Dinamika dan PT Adira Quantum Multifinance pada tanggal 1 Januari 2006.

Included in 2006 additions of fixed assets are the beginning balance of acquisition cost Rp 29,445 and accumulated depreciation Rp 10,945 of the Subsidiaries: PT Asuransi Adira Dinamika and PT Adira Quantum Multifinance's as at 1 January 2006.

Pada tahun 2001, Bank melakukan penilaian kembali atas tanah dan bangunan dalam rangka kuasi-reorganisasi (lihat Catatan 53). Penilaian kembali tersebut dilakukan oleh perusahaan penilai independen (PT Laksa Laksana). Dalam menentukan nilai wajar, perusahaan penilai menggunakan pendekatan metode nilai pasar.

In 2001, the Bank revalued land and buildings due to quasi-reorganisation (see Note 53). The revaluation was performed by an independent appraisal company (PT Laksa Laksana). In determining the fair value, the independent appraisal company used the market value approach.

15. AKTIVA TETAP (lanjutan)

Pada tanggal 31 Desember 2006, tanah dan bangunan milik PT Adira Dinamika Mullti Finance ("ADMF") senilai Rp nihil (2005: Rp 17.402; 2004: Rp 17.226) dijadikan jaminan atas fasilitas pinjaman yang diterima oleh ADMF (lihat Catatan 22).

***15. FIXED ASSETS** (continued)*

As at 31 December 2006, land and buildings owned by PT Adira Dinamika Multi Finance ("ADMF") of Rp nil (2005: Rp 17,402; 2004: Rp 17,226) is pledged as collateral in relation to the borrowing facilities granted to ADMF (see Note 22).

	2005				
	1 Januari / *January*	Penambahan / *Additions*	Pengurangan / *Disposals*	31 Desember / *December*	
Harga perolehan/ nilai revaluasi					***Cost/ revalued amount***
Tanah	535,148	20,313	3,310	552,151	*Land*
Bangunan	447,222	62,281	37,360	472,143	*Buildings*
Perlengkapan kantor	773,728	253,912	34,963	992,677	*Office equipment*
Kendaraan bermotor	132,453	96,885	15,123	214,215	*Motor vehicles*
	1,888,551	433,391	90,756	2,231,186	
Aktiva dalam penyelesaian	40,078	10,976	48,865	2,189	*Assets under construction*
Akumulasi penyusutan					***Accumulated depreciation***
Bangunan	47,142	27,768	331	74,579	*Buildings*
Perlengkapan kantor	565,213	133,054	70,561	627,706	*Office equipment*
Kendaraan bermotor	19,103	37,721	5,762	51,062	*Motor vehicles*
	631,458	198,543	76,654	753,347	
Nilai buku bersih	1,297,171			1,480,028	***Net book value***

	2004				
	1 Januari / *January*	Penambahan / *Additions*	Pengurangan / *Disposals*	31 Desember / *December*	
Harga perolehan/ nilai revaluasi					***Cost/ revalued amount***
Tanah	233,634	306,453	4,939	535,148	*Land*
Bangunan	153,875	296,124	2,777	447,222	*Buildings*
Perlengkapan kantor	782,041	97,502	105,815	773,728	*Office equipment*
Kendaraan bermotor	22,649	126,910	17,106	132,453	*Motor vehicles*
	1,192,199	826,989	130,637	1,888,551	
Aktiva dalam penyelesaian	-	40,078	-	40,078	*Assets under construction*
Akumulasi penyusutan					***Accumulated depreciation***
Bangunan	35,297	15,216	3,371	47,142	*Buildings*
Perlengkapan kantor	521,186	121,393	77,366	565,213	*Office equipment*
Kendaraan bermotor	20,363	11,649	12,909	19,103	*Motor vehicles*
	576,846	148,258	93,646	631,458	
Nilai buku bersih	615,353			1,297,171	***Net book value***

15. AKTIVA TETAP (lanjutan)

Termasuk dalam penambahan aktiva tetap di tahun 2004 adalah tanah sebesar Rp 275.484 dan bangunan sebesar Rp 211.262 yang direklasifikasikan dari akun uang muka pembelian pinjaman sindikasi (lihat Catatan 16). Selain itu yang termasuk di dalam penambahan di tahun 2004 adalah saldo harga perolehan dan akumulasi penyusutan aktiva tetap ADMF pada tanggal 1 Januari 2004 masing-masing sebesar Rp 95.389 dan Rp 19.544.

Manajemen berpendapat bahwa tidak terdapat indikasi terjadinya penurunan nilai permanen aktiva tetap.

Pada tanggal 31 Desember 2006, aktiva tetap, kecuali tanah, telah diasuransikan kepada Anak Perusahaan, PT Asuransi Adira Dinamika, terhadap risiko kerugian kebakaran, kebanjiran dan risiko lainnya dengan nilai pertanggungan sejumlah Rp 933.850 (2005: Rp 665.173). Manajemen berpendapat bahwa nilai pertanggungan tersebut sudah memadai.

Pada tanggal 31 Desember 2004, aktiva tetap, kecuali tanah, telah diasuransikan kepada PT Wahana Tata, PT Asuransi Jasa Indonesia, dan PT Asuransi Sinar Mas, terhadap risiko kerugian kebakaran, kebanjiran dan risiko lainnya dengan nilai pertanggungan sejumlah Rp 570.771. Manajemen berpendapat bahwa nilai pertanggungan tersebut sudah memadai.

***15. FIXED ASSETS** (continued)*

Included in 2004 additions of fixed assets are land of Rp 275,484 and buildings of Rp 211,262 reclassified from the account advance for syndicated loan purchased (see Note 16). Also included in 2004 additions of fixed assets is the beginning balance of acquisition cost and accumulated depreciation of the ADMF's fixed assets as per 1 January 2004 of Rp 95,389 and Rp 19,544, respectively.

Management believes that there is no permanent impairment in the value of fixed assets.

As at 31 December 2006, fixed assets, except for land, are insured with a Subsidiary, PT Asuransi Adira Dinamika, against losses arising from fire, flood and other risks with a total insurance coverage amounting to Rp 933,850 (2005: Rp 665,173). Management believes that the coverage is adequate.

As at 31 December 2004, fixed assets, except for land, were insured with PT Wahana Tata, PT Asuransi Jasa Indonesia, and PT Asuransi Sinar Mas, against losses arising from fire, flood and other risks with a total insurance coverage amounting to Rp 570,771. Management believes that the coverage is adequate.

16. BEBAN DIBAYAR DIMUKA DAN AKTIVA LAIN-LAIN

Informasi mengenai jatuh tempo diungkapkan pada Catatan 47.

16. PREPAYMENTS AND OTHER ASSETS

Information in respect of maturities is disclosed in Note 47.

	2006	2005	2004	
Pihak ketiga				***Third parties***
Piutang bunga	857,757	601,192	549,741	*Interest receivable*
Setoran jaminan dan beban dibayar dimuka	394,503	258,728	334,241	*Security deposits and prepaid expenses*
Beban tangguhan - bersih	548,535	406,971	257,256	*Deferred expense - net*
Agunan yang diambil alih - bersih	113,388	170,197	168,275	*Repossessed assets - net*
Premi atas *call option* (lihat Catatan 1c)	186,875	186,875	186,875	*Premium on call option (see Note 1c)*
Uang muka lain-lain	91,618	137,266	92,538	*Other advances*
Aktiva tetap yang tidak digunakan	20,139	30,875	39,798	*Idle properties*
Piutang atas penjualan efek-efek	96,332	50,060	84,823	*Receivables from sales of marketable securities*
Tagihan transaksi kartu kredit	62,882	9,238	5,758	*Receivable from credit card transactions*
Lain-lain	345,358	80,055	162,799	*Others*
	2,717,387	1,931,457	1,882,104	
Dikurangi:				***Less:***
Penyisihan kerugian	20,973	2,939	4,687	*Allowance for possible losses*
	2,696,414	1,928,518	1,877,417	

16. BEBAN DIBAYAR DIMUKA DAN AKTIVA LAIN-LAIN (lanjutan)

Saldo di atas terdiri dari aktiva lain-lain dan beban dibayar di muka dalam Rupiah dan mata uang asing masing-masing sebesar Rp 2.457.746 dan Rp 259.641 (2005: Rp 1.821.191 dan Rp 110.266; 2004: Rp 1.698.111 dan Rp 183.993).

Piutang bunga

Termasuk dalam piutang bunga adalah piutang bunga Obligasi Pemerintah sebesar Rp 412.886 (2005: Rp 297.315; 2004: Rp 353.281).

Setoran jaminan dan beban dibayar dimuka

Termasuk dalam akun ini adalah setoran jaminan dalam rangka transaksi antar bank sebesar Rp 12.837 (2005: Rp 14.420; 2004: Rp 122.644) dan beban sewa dan pemeliharaan dibayar dimuka sebesar Rp 125.021 (2005: Rp 177.914; 2004: Rp 166.341).

Beban tangguhan

Termasuk dalam akun ini adalah beban perolehan nasabah Anak Perusahaan sebesar Rp 527.168 (2005: Rp 406.971; 2004: Rp 257.256) setelah dikurangi akumulasi amortisasi sebesar Rp 442.385 (2005: Rp 420.879; 2004: Rp 102.894).

Uang muka pembelian pinjaman sindikasi

Uang muka pembelian pinjaman sindikasi merupakan uang muka atas pembelian hutang sindikasi PT Danamon Usaha Gedung (DUG) dari Sumitomo Bank, Limited (sebagai pemimpin sindikasi) dan sejumlah bank serta lembaga keuangan lainnya sejumlah US$ 97 juta berdasarkan *DUG Settlement Agreement* tanggal 21 Desember 2000 antara Bank dan DUG.

Dalam rangka pembelian hutang sindikasi tersebut, berdasarkan *Debt Purchase Agreement* tanggal 22 Desember 2000 antara Bank dengan sejumlah bank dan lembaga keuangan, Bank menyetujui untuk membayar sejumlah US$ 48,5 juta dan memberikan 898.907.745 lembar saham Bank (sebelum *reverse stock split)* yang dibeli dari pihak ketiga atau ekuivalen dengan kas sebesar Rp 73.710 dengan kompensasi bahwa Bank akan menerima seluruh properti yang dijaminkan atas pinjaman sindikasi tersebut.

16. PREPAYMENTS AND OTHER ASSETS *(continued)*

The above balance consists of other assets and prepayments in Rupiah and foreign currencies of Rp 2,457,746 and Rp 259,641 (2005: Rp 1,821,191 and Rp 110,266; 2004: Rp 1,698,111 and Rp 183,993).

Interest receivable

Included in interest receivable is interest receivable from Government Bonds of Rp 412,886 (2005: Rp 297,315; 2004: Rp 353,281).

Security deposits and prepaid expenses

Included in these accounts is pledged security deposits for interbank transactions of Rp 12,837 (2005: Rp 14,420; 2004: Rp 122,644) and prepaid rent and maintenance of Rp 125,021 (2005: Rp 177,914; 2004: Rp 166,341).

Deferred expense

Included in this account is Subsidiary's customer acquisition costs of Rp 527,168 (2005: Rp 406,971; 2004: Rp 257,256) net of accumulated amortisation of Rp 442,385 (2005: Rp 420,879; 2004: Rp 102,894).

Advance for syndicated loan purchased

The advance for syndicated loan purchased represents a syndicated loan to PT Danamon Usaha Gedung (DUG) purchased from Sumitomo Bank, Limited (as a lead manager), other banks and financial institutions amounting to US$ 97 million based on the DUG Settlement Agreement dated 21 December 2000 between the Bank and DUG.

Based on the Debt Purchase Agreement dated 22 December 2000 between the Bank, other syndicated banks and financial institutions, the Bank agreed to pay US$ 48.5 million and released 898,907,745 of its shares (before the reverse stock split) purchased from third parties or a cash equivalent of Rp 73,710 in return for all the properties collaterised under the syndicated loan.

16. BEBAN DIBAYAR DIMUKA DAN AKTIVA LAIN-LAIN (lanjutan)

Uang muka pembelian pinjaman sindikasi (lanjutan)

Sampai dengan tanggal 31 Desember 2003, Bank telah melunasi seluruh hutang kepada sejumlah bank dan lembaga keuangan sejumlah Rp 532.926 atau ekuivalen dengan US$ 50,4 juta.

Pada tanggal 22 Desember 2004, Bank dan DUG menandatangani *Supplemental Agreement to DUG Settlement Agreement* untuk mengalihkan seluruh properti DUG yang dijaminkan dan saldo *escrow account* kepada Bank. Bank kemudian mereklasifikasi saldo uang muka DUG sebesar Rp 532.926 ke aktiva tetap berupa tanah sebesar Rp 275.484 dan bangunan sebesar Rp 211.262 (lihat Catatan 15) pada tanggal 31 Desember 2004. Sejumlah Rp 46.180 merupakan properti yang tidak digunakan dan dicatat sebagai aktiva lain-lain di mana Rp 26.041 telah berhasil dijual oleh Bank sampai dengan 31 Desember 2006.

Berdasarkan *Supplemental Agreement*, Bank juga menghapusbukukan saldo *escrow account* DUG sebesar Rp 72.000 sebagai pendapatan di laporan laba rugi konsolidasian tahun 2004 (lihat Catatan 36).

***Premium* atas *call option* (lihat Catatan 1c)**

Manajemen berpendapat bahwa pada tanggal 31 Desember 2006 tidak terdapat indikasi terjadinya penurunan nilai permanen premi atas *call option* yang telah dibayar.

Lain-lain

Termasuk dalam akun lain-lain adalah dana setoran kliring sebesar Rp 149.001 (2005: Rp nihil; 2004: Rp nihil).

***16. PREPAYMENTS AND OTHER ASSETS** (continued)*

***Advance for syndicated loan purchased** (continued)*

As at 31 December 2003, the Bank has paid all the debt to the other banks and financial institutions amounting to Rp 532,926 or equivalent to US$ 50.4 million.

On 22 December 2004, the Bank and DUG signed a Supplemental Agreement to the the DUG Settlement Agreement to transfer the ownership of DUG's collaterised properties and the balance of DUG's escrow account to the Bank. Therefore on 31 December 2004, the Bank reclassified the advance balance of Rp 532,926 to fixed assets in the form of land of Rp 275,484 and buildings of Rp 211,262 (see Note 15). The remaining balance of Rp 46,180 which represents idle properties was recorded as other assets of which Rp 26,041 had been sold by the Bank until 31 December 2006.

Based on the Supplemental Agreement, the Bank reversed the balance of DUG's escrow account of Rp 72,000 which was recognised as income in the 2004 consolidated statement of income (see Note 36).

Premium on call option (see Note 1c)

Management believes that there is no permanent impairment in the value of premium paid on the call option as at 31 December 2006.

Others

Included in others is deposits for clearing transactions of Rp 149,001 (2005: Rp nil; 2004: Rp nil).

17. KEWAJIBAN SEGERA

Kewajiban segera terdiri dari kiriman uang, dana setoran cek transaksi kliring, setoran pajak yang diterima oleh Bank sebagai bank penagih dan simpanan sementara yang belum diselesaikan.

17. OBLIGATIONS DUE IMMEDIATELY

Obligations due immediately consist of money transfers, clearing, tax collection received by Bank as collection bank and deposits transactions not yet settled.

18. SIMPANAN NASABAH

Simpanan pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42g. Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

18. DEPOSITS FROM CUSTOMERS

Deposits from related parties are disclosed in Note 42g. Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

18. SIMPANAN NASABAH (lanjutan) / *DEPOSITS FROM CUSTOMERS (continued)*

a. Berdasarkan jenis dan mata uang / *By type and currency*

	2006	2005	2004	
Rupiah				***Rupiah***
- Giro	3,396,069	2,536,846	3,403,119	*Current accounts* -
- Tabungan	9,712,196	8,552,321	11,155,655	*Savings* -
- Deposito berjangka	32,701,939	26,824,806	21,629,809	*Time deposits* -
	45,810,204	37,913,973	36,188,583	
Mata uang asing				***Foreign currencies***
- Giro	1,812,071	1,891,741	1,780,939	*Current accounts* -
- Deposito berjangka	6,571,981	4,544,768	2,313,193	*Time deposits* -
	8,384,052	6,436,509	4,094,132	
	54,194,256	44,350,482	40,282,715	
Terdiri dari:				***Consists of:***
- Pihak yang mempunyai hubungan istimewa	265,748	426,373	646,604	*Related parties* -
- Pihak ketiga	53,928,508	43,924,109	39,636,111	*Third parties* -
	54,194,256	44,350,482	40,282,715	

Simpanan nasabah dalam mata uang asing terdiri dari Dolar Amerika Serikat, Yen, Euro, Dolar Australia dan Dolar Singapura.

Deposits from customers in foreign currencies are denominated in United States Dollars, Yen, Euro, Australian Dollars and Singapore Dollars.

b. Simpanan yang diblokir dan dijadikan jaminan atas pinjaman yang diberikan / *Amounts blocked and pledged as loan collateral*

	2006	2005	2004	
- Deposito berjangka	1,783,868	1,736,642	353,532	*Time deposits* -

19. SIMPANAN DARI BANK LAIN / *DEPOSITS FROM OTHER BANKS*

Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

Berdasarkan jenis dan mata uang / ***By type and currency***

	2006	2005	2004	
Pihak ketiga				***Third parties***
Rupiah				***Rupiah***
- Giro	128,830	107,146	137,211	*Current accounts* -
- Deposito dan *deposits on call*	2,608,190	1,582,737	344,938	*Deposits and deposits on call* -
- Tabungan	-	-	597	*Savings* -
- *Call money*	1,133,266	1,254,000	552,000	*Call money* -
	3,870,286	2,943,883	1,034,746	

19. SIMPANAN DARI BANK LAIN (lanjutan) / *DEPOSITS FROM OTHER BANKS (continued)*

Berdasarkan jenis dan mata uang (lanjutan) / ***By type and currency** (continued)*

	2006	2005	2004	
Mata uang asing				***Foreign currencies***
- Giro	-	4	-	*Current accounts* -
- *Call money*	-	-	5,699	*Call money* -
- Sertifikat deposito - bersih	898,968	982,074	-	*Certificates of deposits - net* -
	898,968	982,078	5,699	
	4,769,254	3,925,961	1,040,445	

Simpanan dari bank lain dalam mata uang asing terutama terdiri dari Dolar Amerika Serikat.

Deposits from other banks in foreign currencies are mainly denominated in United States Dollars.

20. KEWAJIBAN AKSEPTASI / *ACCEPTANCE PAYABLES*

Informasi mengenai jatuh tempo diungkapkan pada Catatan 47.

Information in respect of maturities is disclosed in Note 47.

	2006	2005	2004	
Pihak ketiga				***Third parties***
Rupiah	22,421	638	-	*Rupiah*
Mata uang asing	596,855	521,354	522,884	*Foreign currencies*
	619,276	521,992	522,884	

Kewajiban akseptasi dalam mata uang asing terdiri dari Dolar Amerika Serikat, Yen dan Euro.

Acceptance payables in foreign currencies are denominated in United States Dollars, Yen and Euro.

21. OBLIGASI YANG DITERBITKAN / *BONDS ISSUED*

Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

	2006	2005	2004	
Pihak ketiga				***Third parties***
Rupiah				***Rupiah***
Nilai nominal	1,250,000	500,000	500,000	*Nominal value*
Dikurangi:				***Less:***
Pokok obligasi yang telah jatuh tempo	15,750	-	-	*Matured bond principal*
Beban emisi obligasi yang belum diamortisasi	6,360	4,562	6,578	*Unamortised bonds' issuance cost*
Eliminasi untuk keperluan konsolidasian	34,000	-	-	*Elimination for consolidation purposes*
Bersih	1,193,890	495,438	493,422	***Net***
Dikurangi:				***Less:***
Bagian yang jatuh tempo dalam waktu satu tahun	31,500	15,750	-	*Current maturities*
Bagian jangka panjang	1,162,390	479,688	493,422	***Long term portion***

21. OBLIGASI YANG DITERBITKAN (lanjutan)

Pada tanggal 8 Mei 2003, PT Adira Dinamika Multi Finance ("ADMF") menerbitkan dan mencatatkan Obligasi Adira Dinamika Multi Finance I Tahun 2003 (Obligasi I) dengan nilai nominal sebesar Rp 500.000 terbagi atas Seri A dan Seri B di Bursa Efek Surabaya. Obligasi I ini akan jatuh tempo pada tanggal 6 Mei 2008 dan memiliki suku bunga bersifat tetap sebesar 14,125% per tahun. Bunga dibayar setiap tiga bulan dengan pembayaran pertama dilakukan pada tanggal 6 Agustus 2003 dan berakhir pada tanggal 6 Mei 2008. Wali amanat untuk Obligasi I adalah PT Bank Permata Tbk.

Obligasi I ini dijamin oleh piutang pembiayaan konsumen sebesar Rp 484.250 pada tanggal 31 Desember 2006 (2005 dan 2004: Rp 500.000) (lihat Catatan 10) dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi 7,5:1. Selain itu, selama pokok obligasi belum dilunasi, ADMF tidak diperkenankan, antara lain, membagi dividen selama ADMF lalai dalam membayar jumlah terhutang obligasi, melakukan penggabungan usaha serta menjual atau mengalihkan lebih dari 40% aktiva ADMF yang bukan piutang pembiayaan konsumen.

Pada tahun 2006, ADMF telah membayar cicilan pokok Obligasi I sebesar Rp 15.750.

Pada tanggal 8 Juni 2006, ADMF menerbitkan dan mencatatkan Obligasi Adira Dinamika Multi Finance II Tahun 2006 (Obligasi II) dengan nilai nominal sebesar Rp 750.000 di Bursa Efek Surabaya. Obligasi II ini terbagi menjadi tiga seri, yaitu Seri A, B, dan C yang masing-masing akan jatuh tempo pada tanggal 8 Juni 2009, 8 Juni 2010 dan 8 Juni 2011 dan memiliki suku bunga tetap 14,40% - 14,60%. Bunga dibayar setiap tiga bulan dengan pembayaran pertama dilakukan pada tanggal 8 September 2006 dan berakhir pada tanggal 8 Juni 2009 untuk Seri A, 8 Juni 2010 untuk Seri B dan 8 Juni 2011 untuk Seri C. Wali amanat untuk Obligasi II adalah PT Bank Permata Tbk.

Obligasi II dijamin oleh piutang pembiayaan konsumen sebesar Rp 450.000 (lihat Catatan 10) dan rasio jumlah pinjaman terhadap ekuitas tidak melebihi 7,5:1. Selain itu, selama pokok obligasi belum dilunasi, ADMF tidak diperkenankan, antara lain, membagi dividen selama ADMF lalai dalam membayar jumlah terhutang obligasi, melakukan penggabungan usaha serta menjual atau mengalihkan lebih dari 40% aktiva ADMF yang bukan piutang pembiayaan konsumen.

***21. BONDS ISSUED** (continued)*

On 8 May 2003, PT Adira Dinamika Multi Finance ("ADMF") issued and registered Adira Dinamika Multi Finance I Bonds Year 2003 (Bonds I) with a nominal value of Rp 500,000 and consisting of Series A and Series B on the Surabaya Stock Exchange. Bonds I will mature on 6 May 2008 and bear a fixed interest rate at 14.125% per annum. Interest is paid on a quarterly basis started from 6 August 2003 until 6 May 2008. PT Bank Permata Tbk is the trustee for Bond I.

Bond I are secured by consumer financing receivables of Rp 484,250 as at 31 December 2006 (2005 and 2004: Rp 500,000) (see Note 10) and debt to equity ratio at the maximum of 7.5:1. On the condition that the bonds payable are still outstanding, ADMF is not allowed to, among others, declare dividends in the event that ADMF defaults on its bond obligations, merge and sell or hand over more than 40% of ADMF's non consumer financing receivables.

In 2006 the ADMF has paid principal instalments of Bond I amounting to Rp 15,750.

On 8 June 2006, ADMF issued and registered Adira Dinamika Multi Finance II Bonds Year 2006 (Bonds II) with a nominal value of Rp 750,000 on the Surabaya Stock Exchange. Bonds II consist of Series A, B, and C which will mature on 8 June 2009, 8 June 2010 and 8 June 2011, respectively and bear a fixed interest rate at 14.40% - 14.60%. Interest is paid on a quarterly basis started from 8 September 2006 until 8 June 2009 for Series A, 8 June 2010 for Series B and 8 June 2011 for Series C. PT Bank Permata Tbk is the trustee for Bond II.

Bond II are secured by consumer financing receivables of Rp 450,000 (see Note 10) and debt to equity ratio at the maximum of 7.5:1. On the condition that the bonds payable are still outstanding, ADMF is not allowed to, among others, declare dividends in the event that ADMF defaults on its bond obligations, merge and sell or hand over more than 40% of ADMF's non consumer financing receivables.

21. OBLIGASI YANG DITERBITKAN (lanjutan) / *21. BONDS ISSUED (continued)*

Beban bunga obligasi untuk tahun yang berakhir 31 Desember 2006 adalah sebesar Rp 131.072 (2005: Rp 70.625; 2004: Rp 70.429). Pada tanggal 31 Desember 2006, Obligasi I dan Obligasi II tersebut mendapat peringkat idA dari PT Pemeringkat Efek Indonesia (Pefindo).

Interest expense on the bonds for the year ended 31 December 2006 is Rp 131,072 (2005: Rp 70,625; 2004: Rp 70,429). As at 31 December 2006, Bond I and II are rated idA by PT Pemeringkat Efek Indonesia (Pefindo).

22. PINJAMAN YANG DITERIMA / *22. BORROWINGS*

Informasi mengenai jatuh tempo dan tingkat suku bunga diungkapkan pada Catatan 47 dan 48.

Information in respect of maturities and interest rates is disclosed in Notes 47 and 48.

Berdasarkan jenis dan mata uang / ***By type and currency***

	2006	2005	2004	
Pihak ketiga				***Third parties***
Rupiah				***Rupiah***
- Pinjaman penerusan	48,957	70,229	99,588	*Two-step loans* -
- Bank Indonesia	109,364	120,854	201,637	*Bank Indonesia* -
- PT Bank Negara Indonesia (Persero) Tbk	-	-	227,563	*PT Bank Negara Indonesia (Persero) Tbk* -
- PT Bank Central Asia Tbk	75,000	-	75,000	*PT Bank Central Asia Tbk* -
- PT Bank Lippo Tbk	120,833	-	-	*PT Bank Lippo Tbk* -
- International Finance Corporation (IFC)	275,250	-	-	*International Finance Corporation (IFC)* -
- PT Permodalan Nasional Madani (PNM)	92,118	119,920	207,678	*PT Permodalan Nasional Madani (PNM)* -
- Pinjaman dari bank/lembaga keuangan lain	50,000	50,000	50,000	*Placements by other banks/ financial institutions* -
	771,522	361,003	861,466	
Mata uang asing				***Foreign currencies***
- Pinjaman dari bank/lembaga keuangan lain:				*Placements by other banks/ financial institutions:* -
- Penempatan oleh bank lain	-	105,480	42,513	*Placements by other banks* -
- Pinjaman *Bankers Acceptance*	246,977	630,468	329,670	*Bankers Acceptance* -
- Pinjaman *exchange offer*	-	-	37,141	*Exchange offer loans* -
- Pinjaman penerusan	9,830	17,888	23,655	*Two-step loans* -
	256,807	753,836	432,979	
	1,028,329	1,114,839	1,294,445	

Pinjaman penerusan / ***Two-step loans***

Pinjaman penerusan terdiri dari fasilitas pinjaman dalam Rupiah dan mata uang asing yang diperoleh dari berbagai lembaga pembiayaan internasional melalui Bank Indonesia, yang ditujukan untuk membiayai proyek-proyek tertentu di Indonesia. Pinjaman ini akan jatuh tempo pada tahun 2007 - 2013 dengan tingkat suku bunga per tahun berkisar antara 6,44% - 12,67% (2005: 2,54% - 7,54%; 2004: 2,49% - 8,69%).

Two-step loans consist of credit facilities in Rupiah and foreign currencies obtained from international funding institutions through Bank Indonesia which are used to finance specific projects in Indonesia. These facilities will mature in 2007 - 2013 and bear annual interest rates ranging from 6.44% - 12.67% (2005: 2.54% - 7.54%; 2004: 2.49% - 8.69%).

22. PINJAMAN YANG DITERIMA (lanjutan)

Bank Indonesia

Akun ini merupakan fasilitas-fasilitas kredit yang diperoleh dari Bank Indonesia (BI) untuk dipinjamkan kembali kepada pengusaha kecil dalam bentuk kredit investasi dan kredit modal kerja.

Pinjaman ini akan jatuh tempo pada tahun 2009 - 2019 dengan tingkat suku bunga tetap per tahun berkisar antara 3% - 9%.

PT Bank Negara Indonesia (Persero) Tbk (BNI)

Akun ini merupakan fasilitas pinjaman PT Adira Dinamika Multi Finance (ADMF) yang diperoleh dari BNI yang dapat diperpanjang dengan total sebesar Rp nihil (2005: Rp 165.000; 2004: Rp 330.000). Fasilitas ini dijamin dengan piutang pembiayaan konsumen sebesar Rp nihil (2005: Rp nihil; 2004: Rp 227.562) (lihat Catatan 10), deposito berjangka sebesar Rp nihil (2005 dan 2004: Rp 2.000) (lihat Catatan 6) dan tanah dan bangunan senilai Rp nihil (2005: Rp 17.402; 2004: 17.226) (lihat Catatan 15). Tanggal jatuh tempo fasilitas-fasilitas ini berkisar antara 21 April 2006 sampai dengan 31 Desember 2006. Suku bunga per tahun atas fasilitas-fasilitas ini berkisar antara 15% sampai dengan 16% untuk tahun yang berakhir tanggal 31 Desember 2006 (2005: 13% - 15,5%; 2004: 14%-14,5%).

Pada tahun berjalan seluruh fasilitas pinjaman telah dilunasi.

Semua persyaratan perjanjian yang berkaitan dengan fasilitas pinjaman yang diterima oleh ADMF telah dipenuhi pada tanggal 31 Desember 2006.

PT Bank Lippo Tbk (Lippo)

Akun ini merupakan fasilitas pinjaman modal kerja ADMF yang diperoleh dari Lippo sebesar Rp 150.000. Fasilitas ini dijamin dengan piutang pembiayaan konsumen dengan nilai sekurang-kurangnya sebesar 110% dari jumlah saldo pinjaman (lihat Catatan 10). Fasilitas pinjaman ini akan jatuh tempo pada tanggal 15 Mei 2009 dengan tingkat suku bunga per tahun berkisar antara 14% - 17% untuk tahun yang berakhir tanggal 31 Desember 2006.

Semua persyaratan perjanjian yang berkaitan dengan fasilitas pinjaman yang diterima oleh ADMF telah dipenuhi pada tanggal 31 Desember 2006.

***22. BORROWINGS** (continued)*

Bank Indonesia

This account represents credit facilities obtained from Bank Indonesia (BI) which are channelled to the Bank's small scale customers in the form of investment loans and working capital loans.

These facilities will mature in 2009 - 2019 and bear annual fixed interest rates ranging from 3% - 9%.

PT Bank Negara Indonesia (Persero) Tbk (BNI)

This account represents a revolving credit facility obtained by PT Adira Dinamika Multi Finance (ADMF) from BNI totalling Rp nil (2005: Rp 165,000; 2004: Rp 330,000). This facility is secured by consumer financing receivables amounting to Rp nil (2005: Rp nil; 2004: Rp 227,562) (see Note 10), time deposits of Rp nil (2005 and 2004: Rp 2,000) (see Note 6) and land and buildings of Rp nil (2005: Rp 17,402; 2004: Rp 17,226) (see Note 15). The maturity dates of these facilities ranged from 21 April 2006 up to 31 December 2006. Annual interest rates for these facilities ranged from 15% to 16 % for the year ended 31 December 2006 (2005: 13% - 15.5%; 2004: 14%-14.5%).

The facilities have been fully repaid during the year.

All covenants in relation to borrowing facilities received by ADMF are met as at 31 December 2006.

PT Bank Lippo Tbk (Lippo)

This account represents a working capital facility obtained by ADMF from Lippo amounting to Rp 150,000. This facility is secured by consumer financing receivables with a minimum total amount of 110% of total outstanding borrowing (see Note 10). The facility will mature on 15 May 2009 and bears annual interest rate ranging form 14% - 17% for the year ended 31 December 2006.

All covenants in relation to borrowing facilities received by ADMF are met as at 31 December 2006.

22. PINJAMAN YANG DITERIMA (lanjutan)

International Finance Corporation (IFC)

Akun ini merupakan fasilitas kredit yang diperoleh dari IFC untuk disalurkan sebagai kredit kepada pengusaha kecil dan menengah, kredit konsumen dan kredit usaha mikro. Fasilitas Kredit yang diperoleh adalah dalam Rupiah yang setara dengan US$ 150.000.000. Fasilitas pinjaman akan jatuh tempo antara 2009 – 2013 dengan tingkat suku bunga per tahun sebesar 10,72% untuk tahap pertama. Pada tanggal 31 Desember 2006, jumlah sebesar US$ 30.000.000 atau setara dengan Rp 275.250 telah dicairkan oleh Bank.

PT Bank Central Asia Tbk (BCA)

Akun ini merupakan fasilitas pinjaman yang diperoleh ADMF dari BCA yang dapat diperpanjang sebesar Rp 75.000 (2005 dan 2004: Rp 75.000). Pinjaman ini dijamin dengan piutang pembiayaan konsumen dengan nilai sekurang-kurangnya sebesar 120% dari saldo pinjaman (2005: Rp nihil; 2004: Rp 90.000) (lihat Catatan 10). Fasilitas pinjaman ini akan jatuh tempo pada tanggal 14 Maret 2007 dengan tingkat suku bunga per tahun berkisar antara 12,5% - 15,5% (2005: 11,5% - 15,5%; 2004: 14% - 15%).

Semua persyaratan perjanjian yang berkaitan dengan fasilitas pinjaman yang diterima oleh ADMF telah dipenuhi pada tanggal 31 Desember 2006.

PT Permodalan Nasional Madani (PNM)

Akun ini merupakan fasilitas kredit yang diperoleh Bank dari PNM dalam bentuk kredit likuiditas, terdiri dari fasilitas kredit untuk Kredit Koperasi Primer untuk Anggota (KKPA) dan Kredit Pengusaha Kecil dan Mikro (KPKM).

Pinjaman KPKM telah dilunasi di bulan Nopember 2006.

Pinjaman ini akan jatuh tempo pada tahun 2007 - 2014 dengan tingkat suku bunga tetap per tahun berkisar antara 3% - 9%.

***22. BORROWINGS** (continued)*

International Finance Corporation (IFC)

This account represents credit facility obtained from IFC to finance small and medium scale enterprises, consumer and microfinance lending. Total facility is in rupiah which equivalent to US$ 150,000,000. This facility will mature in 2009 – 2013 and bear annual interest rates of 10.72% for the first tranche. As at 31 December 2006, amount of US$ 30,000,000 or equivalent to Rp 275,250 has been drawn down by the Bank.

PT Bank Central Asia Tbk (BCA)

This account represents a revolving credit facility obtained by ADMF from BCA amounting to Rp 75,000 (2005 and 2004: Rp 75,000). This loan is secured by consumer financing receivables with a minimum total amount of 120% of total outstanding borrowing (2005: Rp nil; 2004: Rp 90,000) (see Note 10). The facility will mature on 14 March 2007 and bears annual interest rates ranging between 12.5% - 15.5% (2005: 11.5% - 15.5%; 2004: 14% - 15%).

All covenants in relation to borrowing facilities received by ADMF are met as at 31 December 2006.

PT Permodalan Nasional Madani (PNM)

This account represents credit facilities obtained by the Bank from PNM in the form of liquidity credits consisting of loans for primary cooperative members (KKPA) and small-scale and micro business loans (KPKM).

KPKM facility has been settled in November 2006.

These facilities will mature in 2007 - 2014, bear annual fixed interest rates ranging from 3% - 9%.

22. PINJAMAN YANG DITERIMA (lanjutan)

Pinjaman *Bankers Acceptance*

Akun ini merupakan pinjaman antar bank yang diperoleh Bank dari bank-bank luar negeri. Pinjaman ini akan jatuh tempo pada bulan Maret 2007, dengan tingkat suku bunga berkisar antara 5,61% - 5,67% per tahun. Pada tanggal 31 Desember 2006, pinjaman ini adalah US$ 27.432.790 atau setara dengan Rp 246.977 (2005: US$ 64.137.168 atau setara dengan Rp 630.468; 2004: US$ 35.505.635 atau setara dengan Rp 329.670).

Pinjaman *exchange offer*

Dalam rangka restrukturisasi hutang perbankan nasional, Bank dan 8 BTO telah menukarkan beberapa pinjaman yang diterima dalam mata uang asing dari bank-bank luar negeri dengan pinjaman baru yang jatuh temponya diperpanjang dan dijamin oleh Bank Indonesia.

Pinjaman ini telah dilunasi di Juni 2005.

Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG)

Akun ini merupakan fasilitas pinjaman jangka panjang ADMF dari Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG) dengan batas maksimum kredit sejumlah USD 30.000.000 atau setara Rupiah. Fasilitas pinjaman ini akan jatuh tempo masing-masing pada tanggal 7 Juni 2009, 7 Desember 2009, 7 Juni 2010 dan 7 Desember 2010 dengan cicilan pokok pinjaman yang sama sebanyak 4 kali. Pada tanggal 31 Desember 2006, fasilitas ini belum dicairkan.

Selama pinjaman belum dilunasi, Anak Perusahaan tidak diperkenankan antara lain, mempunyai rasio pinjaman terhadap ekuitas melebihi rasio 10:1, memberikan pinjaman kepada pihak yang mempunyai hubungan istimewa lebih dari Rp 50.000, rasio biaya terhadap pendapatan melebihi rasio 75% dan rasio pinjaman yang bermasalah melebihi rasio 6%.

***22. BORROWINGS** (continued)*

Bankers Acceptance

This account represents interbank borrowings obtained by the Bank from various foreign banks. These borrowings will mature in March 2007, bear annual interest rates ranging from 5.61% - 5.67%. As at 31 December 2006, these borrowings are US$ 27,432,790 or equivalent to Rp 246,977 (2005: US$ 64,137,168 or equivalent to Rp 630,468; 2004: US$ 35,505,635 or equivalent to Rp 329,670).

Exchange offer loans

In accordance with the Government's debt restructuring program for banks, the Bank and the former 8 BTOs' exchanged some of their foreign currency denominated borrowings from foreign banks, for new borrowings, with extended maturities and guaranteed by Bank Indonesia.

This facility has been settled in June 2005.

Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG)

This account represents long-term loan facility obtained by ADMF from Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG) with a maximum credit limit amounting to USD 30,000,000 or Rupiah equivalent. This loan facility will be due on 7 June 2009, 7 December 2009, 7 June 2010 and 7 December 2010, respectively, with 4 equal loan principal instalments. As at 31 December 2006, there are no drawdowns on this facility.

On the condition that the loan is still outstanding, the Subsidiary is not allowed, among others, for its debt to equity ratio exceeding 10:1, lending to related parties exceeding Rp 50,000, cost to income ratio exceeding 75% and non-performing loan ratio exceeding 6%.

23. PAJAK PENGHASILAN / *23. INCOME TAX*

a. Hutang pajak / *a. Taxes payable*

	2006	2005	2004	
Bank				***Bank***
Pajak Penghasilan Badan	27,012	774	54,955	*Corporate Income Tax*
Pajak Penghasilan:				*Income Tax:*
- Pasal 21	20,971	18,431	12,777	*Article 21 -*
- Pasal 23/26	30,464	3,651	93,246	*Articles 23/26 -*
- Pasal 25	33,194	24,960	63,622	*Article 25 -*
Pajak Pertambahan Nilai	1,225	770	2,110	*Value Added Tax*
	112,866	48,586	226,710	
Anak Perusahaan				***Subsidiaries***
Pajak Penghasilan Badan	39,140	94,934	18,830	*Corporate Income Tax*
Pajak Penghasilan Lainnya	15,033	10,372	6,583	*Other Income Taxes*
	54,173	105,306	25,413	
	167,039	153,892	252,123	

b. Beban pajak penghasilan / *b. Income tax expense*

	2006	2005	2004	
Bank				***Bank***
Kini	418,036	651,726	653,473	*Current*
Tangguhan	18,555	24,757	107,008	*Deferred*
	436,591	676,483	760,481	
Anak Perusahaan				***Subsidiaries***
Kini	191,688	163,983	70,515	*Current*
Tangguhan	24,049	35,488	63,825	*Deferred*
	215,737	199,471	134,340	
Konsolidasian				***Consolidated***
Kini	609,724	815,709	723,988	*Current*
Tangguhan	42,604	60,245	170,833	*Deferred*
	652,328	875,954	894,821	

Rekonsiliasi antara laba sebelum pajak, seperti yang disajikan dalam laporan laba rugi konsolidasian dan penghasilan kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2006, 2005 dan 2004 adalah sebagai berikut:

The reconciliation between income before tax, as shown in the consolidated statements of income and taxable income for the years ended 31 December 2006, 2005 and 2004 is as follows:

	2006	2005	2004	
Laba konsolidasian sebelum pajak	2,103,241	2,998,244	3,378,236	*Consolidated income before tax*
(Laba)/rugi bersih sebelum pajak - Anak Perusahaan	(341,318)	(318,563)	(209,676)	*Net (income)/loss before tax - Subsidiaries*
Laba sebelum pajak - Bank	1,761,923	2,679,681	3,168,560	*Income before tax - Bank*
Bagian atas (laba)/rugi Anak Perusahaan	(505,628)	(357,276)	(226,011)	*Equity in net (income)/loss of Subsidiaries*
	1,256,295	2,322,405	2,942,549	

23. PAJAK PENGHASILAN (lanjutan) / ***23. INCOME TAX*** *(continued)*

b. Beban pajak penghasilan (lanjutan) / ***b. Income tax expense*** *(continued)*

	2006	2005	2004	
Perbedaan waktu				***Timing differences***
Perbedaan antara komersial dan fiskal atas:				*Differences between commercial and tax amounts on:*
- Penyisihan kerugian atas aktiva produktif	(79,014)	(94,591)	116,436	*Allowance for possible losses - on earning assets*
- Keuntungan yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah -bersih	(15,616)	(1,903)	(269)	*Unrealised gains from changes in fair value of marketable securities and Government Bonds - net*
- Penyusutan	(11,186)	(9,707)	3,709	*Depreciation -*
- Penyisihan imbalan kerja karyawan	59,690	30,526	22,953	*Provision for employee benefits -*
- Penyisihan penurunan nilai wajar agunan yang diambil-alih	(16,813)	53,542	-	*Provision for decline in fair value of repossessed assets -*
- Lain-lain	1,090	(60,391)	12,498	*Others -*
	1,194,446	2,239,881	3,097,876	
Perbedaan tetap				***Permanent differences***
Perbedaan antara komersial dan fiskal atas:				*Differences between commercial and tax amounts on:*
- Penyisihan kerugian atas aktiva produktif	(61,494)	(450,014)	(1,274,866)	*Allowance for possible losses - on earning assets*
- Penghapusbukuan pinjaman	504,362	326,932	-	*Loans written-off -*
- Penyusutan	21,338	19,624	3,260	*Depreciation -*
- Lain-lain	(265,139)	36,051	352,030	*Others -*
	199,067	(67,407)	(919,576)	
Penghasilan kena pajak	1,393,513	2,172,474	2,178,300	*Taxable income*
Akumulasi kerugian fiskal - saldo awal	-	-	(7,997,570)	*Accumulated tax losses - beginning balance*
- Penyesuaian atas kerugian fiskal sesuai dengan surat ketetapan pajak untuk tahun 2000 dan 2001	-	-	1,699,639	*Adjustment of tax losses in accordance with tax assessments for fiscal years 2000 and 2001 -*
- Kerugian fiskal yang sudah jatuh tempo	-	-	4,119,631	*Expired tax losses -*
Akumulasi kerugian fiskal - saldo akhir	-	-	-	*Accumulated tax losses - ending balance*
Beban pajak penghasilan badan	418,036	651,726	653,473	*Corporate income tax expense*
Dikurangi:				***Less:***
Pajak dibayar dimuka pasal 25	391,024	650,952	598,518	*Prepaid tax article 25*
Hutang pajak penghasilan badan	27,012	774	54,955	*Corporate income tax payable*

23. PAJAK PENGHASILAN (lanjutan)

b. Beban pajak penghasilan (lanjutan)

Perhitungan pajak penghasilan badan tahun 2006 tersebut di atas adalah suatu perhitungan sementara yang dibuat untuk tujuan akuntansi dan dapat berubah pada waktu Bank menyampaikan Surat Pemberitahuan Tahunan (SPT) pajaknya.

Perhitungan perpajakan untuk tahun yang berakhir 31 Desember 2005 dan 2004 berbeda sebesar Rp 486 dan Rp 2.083 dengan SPT Bank untuk tahun 2005 dan 2004. Perbedaan tersebut dibebankan ke laporan laba rugi konsolidasian tahun 2005 dan tahun berjalan.

Rekonsiliasi atas beban pajak penghasilan Bank dengan perkalian laba akuntansi Bank sebelum pajak penghasilan dan tarif pajak yang berlaku adalah sebagai berikut:

***23. INCOME TAX** (continued)*

***b. Income tax expense** (continued)*

The above 2006 corporate tax calculation is a preliminary estimate made for accounting purposes and is subject to revision when the Bank lodges its annual corporate tax return.

The calculation of income tax for the year ended 31 December 2005 and 2004 differed by Rp 486 and Rp 2,083, respectively with the Bank's annual tax return for 2005 and 2004. The difference was charged to the 2005 and current year consolidated statement of income, respectively.

The reconciliation between income tax expense and the theoretical tax amount on the Bank's profit before tax is as follows:

	2006	2005	2004	
Laba sebelum pajak - Bank setelah dikurangi bagian laba atas laba Anak Perusahaan	1,256,295	2,322,405	2,942,549	*Income before tax - Bank net of equity in net income of the Subsidiaries*
Beban pajak penghasilan	436,591	676,483	760,481	*Income tax expense*
Pajak dihitung pada tarif pajak progresif	376,871	696,704	882,748	*Tax calculated at progressive rates*
Beban yang tidak dapat dikurangkan / (penghasilan tidak kena pajak)	59,720	(20,221)	(275,873)	*Non-deductible expenses / (non-taxable income)*
Penggunaan akumulasi kerugian fiskal yang telah diakui sebagai aktiva pajak tangguhan	-	-	153,606	*Utilisation of the tax losses carried forward previously recognised as deferred tax assets*
	436,591	676,483	760,481	

Bank

Pemeriksaan pajak tahun 1998 dan 1999

Pada tahun 2003, Bank menerima Surat Ketetapan Pajak (SKP) untuk tahun fiskal 1998 dan 1999 sehubungan dengan penggabungan usaha Bank dengan 8 BTO. SKP tersebut menetapkan kurang bayar atas pajak penghasilan karyawan, pajak yang dipotong dan pajak pertambahan nilai atas Bank sebesar Rp 40.457 dan 8 BTO sebesar Rp 54.345.

Bank

Tax audit for fiscal year 1998 and 1999

In 2003, the Bank received tax assessments for fiscal years 1998 and 1999 and in relation to the audit of the merger with 8 BTOs. The assessments confirmed underpayments of employee income tax, withholding tax and value added tax for the Bank of Rp 40,457 and 8 BTOs of Rp 54,345.

23. PAJAK PENGHASILAN (lanjutan)

b. Beban pajak penghasilan (lanjutan)

Bank (lanjutan)

Pemeriksaan pajak tahun 1998 dan 1999 (lanjutan)

Kekurangan bayar tersebut di atas telah disetujui dan telah seluruhnya dilunasi oleh Bank dan dibebankan dalam laporan laba rugi konsolidasian tahun 2003 sebesar Rp 40.457 dan akun kewajiban kompensasi beban penggabungan usaha sebesar Rp 54.345.

Selain itu, Kantor Pelayanan Pajak juga telah melakukan koreksi atas pajak penghasilan badan tahun 1998 dan 1999 masing-masing sebesar Rp 4.768.889 dan Rp 20.129.570. Hal ini mengakibatkan Bank mempunyai penghasilan kena pajak sebesar Rp 12.395.042 dan bukan posisi kerugian fiskal Rp 7.734.528, seperti yang dilaporkan Bank untuk tahun fiskal 1999. Penyesuaian ini tidak menimbulkan hutang pajak bagi Bank untuk tahun fiskal 2003 karena jumlah ini dapat dikompensasi dengan kerugian fiskal tahun 1998.

Manajemen Bank menyetujui koreksi terhadap pajak penghasilan tahun fiskal 1998 dan hanya menyetujui koreksi sebesar Rp 71.811 untuk tahun fiskal 1999.

Pada bulan Pebruari 2004, Bank telah mengajukan keberatan atas SKP untuk tahun fiskal 1999 tersebut dan ditolak oleh Kantor Pelayanan Pajak.

Pada bulan Juli 2004, Bank telah mengajukan permohonan banding atas SKPN untuk tahun fiskal 1999 tersebut dan ditolak oleh Pengadilan Pajak. Atas penolakan ini Bank telah mengajukan permohonan peninjauan kembali atas putusan pengadilan pajak ke Mahkamah Agung pada bulan Nopember 2005. Hasil atas permohonan peninjauan kembali belum diperoleh sampai dengan tanggal laporan keuangan konsolidasian ini.

***23. INCOME TAX** (continued)*

***b. Income tax expense** (continued)*

***Bank** (continued)*

***Tax audit for fiscal years 1998 and 1999** (continued)*

The above underpayments were agreed and paid by the Bank and charged to the 2003 consolidated statement of income of Rp 40,457 and compensation for merger costs liability of Rp 54,345 respectively.

In addition, the Tax Office reassessed the tax losses for the Bank's 1998 and 1999 fiscal years of Rp 4,768,889 and Rp 20,129,570 respectively. This resulted in a taxable income position of Rp 12,395,042 instead of a tax loss of Rp 7,734,528, as previously reported by the Bank in its 1999 fiscal year. This adjustment did not result in tax payable for the Bank for fiscal year 2003 as it was fully compensated with the 1998 tax losses carried forward.

The Bank's Management agreed with the assessment related to the 1998 fiscal year and only agreed with an assessment of Rp 71,811 for the 1999 fiscal year.

In February 2004, the Bank filed an objection letter in respect of the 1999 assessment which was rejected by the Tax Office.

In July 2004, the Bank submitted an appeal letter in respect of the 1999 assessment which was rejected by the Tax Court. The Bank has requested a reconsideration of the decision by the Tax Court to the Supreme Court in November 2005. At the date of these consolidated financial statements, the result of this request for reconsideration is still unknown.

23. PAJAK PENGHASILAN (lanjutan)

b. Beban pajak penghasilan (lanjutan)

Bank (lanjutan)

Pemeriksaan pajak tahun 2000 dan 2001

Pada tahun 2004, Bank menerima SKP hasil pemeriksaan pajak tahun fiskal 2000 dan 2001, yang menetapkan kurang bayar atas pajak penghasilan karyawan, pajak penghasilan pasal 23/26, pajak final pasal 4(2) dan Pajak Pertambahan Nilai (PPN) dengan jumlah masing-masing sebesar Rp 28.101 dan Rp 26.589, setelah dikompensasi dengan kelebihan pembayaran pajak penghasilan karyawan dan pajak penghasilan badan tahun 2000. Hasil pemeriksaan tersebut telah disetujui oleh Manajemen Bank, kecuali ketetapan kurang bayar PPN sebesar Rp 19.769. Bank telah mengajukan surat keberatan atas SKP PPN tersebut pada bulan Januari 2005.

Pada bulan Desember 2005, Kantor Pelayanan Pajak telah menerbitkan surat keputusan penolakan permohonan keberatan tersebut. Atas penolakan ini Bank telah mengajukan banding ke Pengadilan Pajak pada bulan Maret 2006. Hasil banding belum diketahui sampai dengan tanggal laporan keuangan konsolidasian ini.

Walaupun berkeberatan dengan SKP PPN dan sesuai dengan Undang-Undang Pajak, Bank telah membayar seluruh kekurangan bayar tersebut di atas.

Pemeriksaan pajak tahun 2004

Pada bulan Desember 2006, Bank menerima SKP hasil pemeriksaan pajak tahun fiskal 2004, yang menetapkan kurang bayar atas pajak penghasilan badan, pajak penghasilan karyawan, pajak penghasilan pasal 23/26, pajak final pasal 4(2) dan Pajak Pertambahan Nilai (PPN) dengan jumlah sebesar Rp 25.661. Hasil pemeriksaan tersebut telah disetujui oleh Manajemen Bank dan kurang bayar telah dibebankan ke laporan laba rugi konsolidasian tahun berjalan, dan telah dibayar di bulan Januari 2007.

***23. INCOME TAX** (continued)*

***b. Income tax expense** (continued)*

***Bank** (continued)*

Tax audit for the fiscal years 2000 and 2001

In 2004, the Bank received tax assessment letters for the fiscal years 2000 and 2001, which confirmed the underpayment of employee income tax, withholding tax article 23/26, final tax article 4(2) and Value Added Tax (VAT) of Rp 28,101 and Rp 26,589, respectively after being compensated with the tax overpayment of the 2000 employee income tax and corporate income tax. The result of the audit has been agreed by the Bank's Management, except for the assessment on the VAT underpayment of Rp 19,769. The Bank has submitted an objection letter on the VAT underpayment in January 2005.

In December 2005, the Tax Office issued a rejection letter to the objection letter. The Bank has submited an appeal to the Tax Court in March 2006. Result of the appeal is still unknown at the date of these consolidated financial statements.

Despite the disagreement on the VAT exposure and in accordance with the Tax Laws, all underpayments have been paid by the Bank.

Tax audit for the fiscal year 2004

In December 2006, the Bank received tax assessment letters for fiscal year 2004, which confirmed the underpayment of corporate income tax, employee income tax, withholding tax article 23/26, final tax article 4(2) and Value Added Tax (VAT) of Rp 25,661. The result of the audit has been agreed by the Bank's Management and the underpayment has been charged to the current year consolidated statement of income, and subsequently paid in January 2007.

23. PAJAK PENGHASILAN (lanjutan)

b. Beban pajak penghasilan (lanjutan)

SKP atas cadangan penggabungan usaha

Tanggal 14 Desember 2004, Bank menerima surat dari Kantor Pelayanan Pajak (KPP) untuk membayarkan sisa cadangan penggabungan usaha sebesar Rp 397.000. Kemudian pada tanggal 24 Desember 2004 Bank menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) atas pajak penghasilan pasal 23 dan pajak final pasal 4(2) sebesar Rp 357.256 sehubungan dengan 7 BTO (lihat Catatan 24).

Sesuai dengan ketentuan perpajakan, pada tanggal 24 Januari 2005, Manajemen Bank telah membayar SKPKB tersebut dan dibebankan ke kewajiban kompensasi beban penggabungan usaha (lihat Catatan 24).

***23. INCOME TAX** (continued)*

***b. Income tax expense** (continued)*

Tax Assessments on the provision for merger costs

On 14 December 2004, the Bank received a letter from the Tax Office requesting the Bank to pay the remaining balance of the merger provision of Rp 397,000. Subsequently, on 24 December 2004, the Bank received a tax assessment which confirmed a tax underpayment of income tax article 23 and final tax article 4(2) of Rp 357,256 in relation to the 7 BTOs (see Note 24).

In accordance with the tax laws, on 24 January 2005 the Bank's Management paid the above tax assessment and charged this to the compensation for merger costs liability (see Note 24).

c. Aktiva pajak tangguhan

Bank

c. Deferred tax asset

Bank

	2006				
	1 Januari/ *January*	(Dibebankan)/ dikreditkan ke laporan laba rugi konsolidasian/ *(Charged)/credited to consolidated statement of income*	(Dibebankan) dikreditkan/ ke ekuitas konsolidasian/ *(Charged)/credited to consolidated equity*	31 Desember/ *December*	
Aktiva/(kewajiban) pajak tangguhan:					***Deferred tax asset/(liabilities):***
- Penyisihan kerugian aktiva produktif	66,250	(23,705)	-	42,545	*Allowance for possible losses on earning assets* -
- Kerugian/(keuntungan) yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah - bersih	5,151	(4,685)	(95,767)	(95,301)	*Unrealised losses/(gains) from changes in fair value of marketable securities and Government Bonds - net* -
- Penyisihan imbalan kerja karyawan	47,284	17,907	-	65,191	*Provision for employee benefits* -
- Penyisihan penurunan nilai wajar barang jaminan yang diambil alih	16,063	(5,044)	-	11,019	*Provision for decline in fair value of repossessed assets* -
- Lain-lain	18,986	(3,028)	-	15,958	*Others* -
Jumlah aktiva pajak tangguhan	153,734	(18,555)	(95,767)	39,412	*Total deferred tax asset*

23. PAJAK PENGHASILAN (lanjutan)

c. Aktiva pajak tangguhan (lanjutan)

Sejak tahun 2006, Bank mengakui porsi pajak tangguhan atas kerugian/(keuntungan) yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah tersedia untuk dijual. Saldo untuk tahun 2005 dan 2004 tidak signifikan.

***23. INCOME TAX** (continued)*

***c. Deferred tax asset** (continued)*

Starting year 2006, the Bank recognised the deffered tax portion of unrealised losses/(gains) from changes in fair value of available for sale marketable securities and Government Bonds. For the years 2004 and 2005 these balances were considered immaterial.

	2005			
	1 Januari/ *January*	(Dibebankan)/ dikreditkan ke laporan laba rugi konsolidasian/ *(Charged)/credited to consolidated statement of income*	31 Desember/ *December*	
Aktiva pajak tangguhan:				***Deferred tax asset:***
- Penyisihan kerugian aktiva produktif	94,627	(28,377)	66,250	*Allowance for possible losses on earning assets* -
- Kerugian/(keuntungan) yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah - bersih	5,721	(570)	5,151	*Unrealised losses/(gains) from changes in fair value of marketable securities and Government Bonds - net* -
- Penyisihan imbalan kerja karyawan	38,126	9,158	47,284	*Provision for employee benefits* -
- Penyisihan penurunan nilai wajar barang jaminan yang diambil alih	-	16,063	16,063	*Provision for decline in fair value of repossessed assets* -
- Lain-lain	40,152	(21,166)	18,986	*Others* -
Jumlah aktiva pajak tangguhan	178,626	(24,892)	153,734	*Total deferred tax asset*

	2004			
	1 Januari/ *January*	(Dibebankan)/ dikreditkan ke laporan laba rugi konsolidasian/ *(Charged)/credited to consolidated statement of income*	31 Desember/ *December*	
Aktiva pajak tangguhan:				***Deferred tax asset:***
- Penyisihan kerugian aktiva produktif	59,696	34,931	94,627	*Allowance for possible losses on earning assets* -
- Akumulasi kerugian fiskal	153,606	(153,606)	-	*Accumulated tax losses* -
- (Keuntungan)/kerugian yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah - bersih	5,802	(81)	5,721	*Unrealised (gains)/losses from changes in fair value of marketable securities and Government Bonds - net* -
- Penyisihan imbalan kerja karyawan	31,240	6,886	38,126	*Provision for employee benefits* -
- Lain-lain	35,290	4,862	40,152	*Others* -
Jumlah aktiva pajak tangguhan	285,634	(107,008)	178,626	*Total deferred tax asset*

23. PAJAK PENGHASILAN (lanjutan) / ***23. INCOME TAX** (continued)*

c. Aktiva pajak tangguhan (lanjutan) / ***c. Deferred tax asset** (continued)*

Anak Perusahaan / ***Subsidiary***

	2006			
	1 Januari/ *January*	Dikreditkan/ (dibebankan) ke laporan laba rugi konsolidasian/ *Credited/(charged) to consolidated statement of income*	31 December/ *December*	
Aktiva pajak tangguhan:				***Deffered tax assets:***
- Penyusutan aktiva tetap	-	158	158	*Fixed asset description -*
- Penyisihan imbalan kerja karyawan	-	490	490	*Provision for employee benefits -*
- Akumulasi kerugian pajak	-	129	129	*Accumulated tax losses -*
- Lain-lain	-	64	64	*Others -*
	-	841	841	

d. Kewajiban pajak tangguhan / ***d. Deferred tax liabilities***

Anak Perusahaan / ***Subsidiaries***

	2006					
	1 Januari/ *January*	Penambahan karena akuisisi Anak Perusahaan/ *Addition due to acquisition of Subsidiaries*	(Dibebankan)/ dikreditkan ke laporan konsolidasian/ *(Charged)/ credited to consolidated statement of income*	(Dibebankan)/ dikreditkan ke ekuitas konsolidasian/ *(Charged)/credited to consolidated equity*	31 Desember/ *December*	
Aktiva/(kewajiban) pajak tangguhan:						***Deffered tax assets/(liabilities)***
- Beban tangguhan	(115,988)	-	(36,253)	-	(152,241)	*Deferred charges -*
- Penyisihan imbalan kerja karyawan	11,463	500	2,653	-	14,616	*Provision for employee benefits -*
- Penyusutan aktiva tetap	(5,520)	58	(2,675)	-	(8,137)	*Fixed asset depreciation -*
- Penyisihan untuk *Incurred But Not yet Reported (IBNR)*	-	1,042	(77)	-	965	*Provision for Incurred But Not Yet Reported (IBNR) -*
- Penyusutan kerugian piutang	3,444	147	4,853	-	8,444	*Allowance for possible losses -*
- Keuntungan/(kerugian) yang belum direalisasi atas efek-efek tersedia untuk dijual – bersih	-	-	-	(3,790)	(3,790)	*Unreliased gains/(losses) of for sale – net -*
- Lain-lain	(5,733)	-	6,609	-	876	*Others -*
Jumlah kewajiban pajak tangguhan-bersih	(112,334)	1,747	(24,890)	(3,790)	(139,267)	*Total deferred tax liabilities-net*

23. PAJAK PENGHASILAN (lanjutan)

d. Kewajiban pajak tangguhan (lanjutan)

Anak Perusahaan (lanjutan)

***23. INCOME TAX** (continued)*

***d. Deferred tax liabilities** (continued)*

***Subsidiaries** (continued)*

	2005			
	1 Januari/ *January*	(Dibebankan)/ dikreditkan ke laporan laba rugi konsolidasian/ *(Charged)/credited to consolidated statement of income*	31 Desember/ *December*	
Kewajiban pajak tangguhan:				***Deferred tax liabilities:***
- Beban tangguhan	(82,486)	(39,718)	(122,204)	*Deferred charges* -
- Penyusutan aktiva tetap	(10,128)	4,608	(5,520)	*Fixed assets depreciation* -
- Lain-lain	15,768	(378)	15,390	*Others* -
Jumlah kewajiban pajak tangguhan	(76,846)	(35,488)	(112,334)	*Total deferred tax liabilities*

	2004				
	1 Januari/ *January*	Penambahan karena akuisisi Anak Perusahaan/ *Addition due to acquisition of Subsidiaries*	(Dibebankan)/ dikreditkan ke laporan laba rugi konsolidasian/ *(Charged)/credited to consolidated statement of income*	31 Desember/ *December*	
Kewajiban pajak tangguhan:					***Deferred tax liabilities:***
- Beban tangguhan	-	(22,832)	(59,654)	(82,486)	*Deferred charges* -
- Penyusutan aktiva tetap	-	(8,753)	(1,375)	(10,128)	*Fixed assets depreciation* -
- Lain-lain	-	18,564	(2,796)	15,768	*Others* -
Jumlah kewajiban pajak tangguhan	-	(13,021)	(63,825)	(76,846)	*Total deferred tax liabilities*

Anak perusahaan memiliki perbedaan perlakuan komersial akuntansi dan pajak atas insentif yang dibayarkan untuk mendapatkan bisnis baru. Perlakuan ini sesuai dengan surat penegasan dari kantor pajak.

The Subsidiaries has a different commercial accounting and tax treatment for the incentives paid to dealers for acquiring new business. This treatment is in line with a private tax ruling from the Tax Office.

e. Administrasi

Berdasarkan peraturan perpajakan Indonesia, Bank menghitung, menetapkan dan membayar sendiri jumlah pajak yang terhutang. Direktorat Jenderal Pajak dapat meneliti atau mengubah kewajiban pajak dalam batas waktu sepuluh tahun sejak tanggal terhutangnya pajak.

e. Administration

Under the taxation laws in Indonesia, the Bank submits tax returns on the basis of self assessments. The tax authorities may assess or amend taxes within ten years from the date the tax becomes due for payment.

24. BEBAN YANG MASIH HARUS DIBAYAR DAN KEWAJIBAN LAIN-LAIN

Beban yang masih harus dibayar dan kewajiban lain-lain dengan pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42h. Informasi mengenai jatuh tempo diungkapkan pada Catatan 47.

24. ACCRUALS AND OTHER LIABILITIES

Accruals and other liabilities with related parties are disclosed in Note 42h. Information in respect of maturities is disclosed in Note 47.

24. BEBAN YANG MASIH HARUS DIBAYAR DAN KEWAJIBAN LAIN-LAIN (lanjutan) / *24. ACCRUALS AND OTHER LIABILITIES (continued)*

	2006	2005	2004	
Kompensasi beban penggabungan usaha 8 BTO	30,125	31,385	392,121	*Compensation for merger costs 8 BTOs*
Hutang bunga	446,426	492,265	364,256	*Interest payable*
Beban yang masih harus dibayar	519,579	235,585	190,060	*Accrued expenses*
Penyisihan imbalan kerja karyawan (lihat Catatan 38)	236,055	168,223	137,207	*Provision for employee benefits (see Note 38)*
Kewajiban kepada PPA (dahulu BPPN)	-	-	704	*Liability to PPA (formerly IBRA)*
Pembelian efek-efek yang masih harus dibayar	-	19,152	191,436	*Accrued purchase of marketable securities*
Hutang kepada *dealer*	131,922	66,169	75,214	*Payable to dealers*
Provisi pinjaman diterima dimuka	112,560	137,783	164,790	*Unearned fees and commissions*
Hutang reasuransi	55,995	-	-	*Reinsurance payable*
Estimasi klaim retensi sendiri	34,594	-	-	*Estimated own retention claims*
Cadangan biaya lainnya	39,060	35,004	75,127	*Other provisions*
Pembayaran ke *merchant*	88,989	10,677	7,921	*Merchant payment*
Lain-lain	308,175	196,617	238,834	*Others*
	2,003,480	1,392,860	1,837,670	

Saldo di atas terdiri atas beban yang masih harus dibayar dan kewajiban lain-lain dalam Rupiah sebesar Rp 1.801.823 dan mata uang asing sebesar Rp 201.657 (2005: Rp1.275.829 dan Rp 117.031; 2004: Rp 1.650.715 dan Rp 186.955).

The above balance consists of accruals and other liabilities in Rupiah of Rp 1,801,823 and in foreign currencies of Rp 201,657 (2005: Rp 1,275,829 and Rp 117,031; 2004: Rp 1,650,715 and Rp 186,955).

Kompensasi beban penggabungan usaha 8 BTO

Kompensasi beban penggabungan usaha merupakan cadangan beban sehubungan dengan penggabungan usaha eks 8 *Bank Taken Over* (BTO) dengan Bank, yang antara lain terdiri dari beban pemutusan hubungan kerja, beban *legal*, dan beban lindung nilai untuk menutupi risiko kerugian valuta asing.

Penggunaan kompensasi selama tahun 2006 adalah sebesar Rp 1.260 (2005: Rp 360.736; 2004: Rp 9.596) (lihat Catatan 23c) yang terutama digunakan untuk membayar hutang pajak milik eks 7 BTO sebesar Rp 1.224 (2005: Rp 357.256; 2004: Rp nihil).

Bank telah mendapatkan persetujuan dari BPPN pada tanggal 30 Januari 2003 atas pertanggungjawaban penggunaan kompensasi beban ini sampai dengan tanggal 30 Nopember 2002. BPPN juga memberikan wewenang kepada Bank atas penggunaan sisa kompensasi merger.

Compensation for merger costs 8 BTOs

Compensation for merger costs is a provision for expenditures incurred in relation to the Bank's merger with 8 Banks Taken Over (BTOs), consisting of among others termination of employees, legal costs, and hedging costs to cover the Bank's foreign currency exposures.

The utilisation of this provision was Rp 1,260 (2005: Rp 360,736; 2004: Rp 9,596) (see Note 23c) during 2006 which was used mainly for settlement of taxes payable in relation to 7 BTOs of Rp 1,224 (2005: Rp 357,256; 2004: Rp nil).

The Bank obtained approval from IBRA on 30 January 2003 regarding the utilisation of this provision up to 30 November 2002. IBRA also gave the authority to the Bank to utilise the remaining balance of this provision.

24. BEBAN YANG MASIH HARUS DIBAYAR DAN KEWAJIBAN LAIN-LAIN (lanjutan)

24. ACCRUALS AND OTHER LIABILITIES (continued)

Pembelian efek-efek yang masih harus dibayar

Akun ini merupakan hutang atas pembelian Obligasi Pemerintah dan obligasi korporasi dengan total nilai nominal sebesar Rp nihil dan nilai beli sebesar Rp nihil (2005: nilai nominal Rp 20.000 dengan nilai beli Rp 19.152; 2004: nilai nominal Rp 50.000 dan US$ 13.400.000 dengan nilai beli Rp 58.825 dan US$ 14.282.263).

Accruals for purchase of marketable securities

This account represents accruals for purchase of Government Bonds and corporate bonds with total nominal value of Rp nil with purchase price of Rp nil (2005: nominal value of Rp 20,000 with purchase price of Rp 19,152; 2004: nominal value of Rp 50,000 and US$ 13,400,000 with purchase price of Rp 58,825 and US$ 14,282,263).

Beban yang masih harus dibayar

Akun ini terdiri dari cadangan untuk bonus karyawan sebesar Rp 113.588 (2005: Rp 120.385; 2004: Rp 94.971) dan sisanya merupakan cadangan untuk beban operasional Bank dan Anak Perusahaan.

Accrued expenses

This account represents an accrual for employees' bonus of Rp 113,588 (2005: Rp 120,385; 2004: Rp 94,971) and the remainder represents accruals in relation to operational costs of the Bank and the Subsidiaries.

Hutang kepada *dealer*

Hutang kepada *dealer* merupakan kewajiban Anak Perusahaan kepada *dealer* atas nasabah-nasabah yang telah memperoleh persetujuan kredit dan pihak *dealer* telah menyerahkan kendaraan yang dibiayai kepada nasabah tersebut.

Payable to dealers

Payables to dealers represent the Subsidiary's liabilities to dealers for approved consumer financing contracts, where the dealers have delivered the vehicles to the customers.

Pembayaran ke *merchant*

Akun ini merupakan hutang kepada *merchant* dalam rangka transaksi kartu kredit.

Merchant payment

This account represents payable to merchants in relation to credit card business.

Lain-lain

Akun ini, antara lain, terdiri dari setoran jaminan sebesar Rp 21.032 (2005: Rp 23.376; 2004: Rp 38.833), hutang perolehan pembiayaan konsumen Anak Perusahaan Rp 37.312 (2005: Rp 10.497; 2004: Rp nihil) dan cadangan penghapusan aktiva tetap sebesar Rp nihil (2005: Rp nihil; 2004: Rp 55.000) (lihat Catatan 37).

Others

This account, among others, consists of deposits received of Rp 21,032 (2005: Rp 23,376; 2004: Rp 38,833), accrued acquisition costs of consumer financing in Subsidiary of Rp 37,312 (2005: Rp 10,497; 2004 Rp nil) and provision for fixed assets written-off of Rp nil (2005: Rp nil; 2004: Rp 55,000) (see Note 37).

25. PINJAMAN SUBORDINASI

25. SUBORDINATED DEBTS

	2006	2005	2004	
Pinjaman subordinasi	677,811	687,094	693,557	*Subordinated loans*
Surat berharga subordinasi	2,696,129	2,941,380	2,776,030	*Subordinated notes*
	3,373,940	3,628,474	3,469,587	

25. PINJAMAN SUBORDINASI (lanjutan)

Pinjaman subordinasi

Saldo sebesar Rp 677.811 (2005: Rp 687.094; 2004: Rp 693.557) merupakan pinjaman subordinasi yang diperoleh Bank dari Bank Indonesia dan pemegang saham BTO yang bergabung dengan Bank. Pinjaman ini akan jatuh tempo pada berbagai tanggal dan terakhir pada tahun 2017 dengan tingkat suku bunga per tahun berkisar antara 1% - 9% (2005: 1% - 9%; 2004: 1% - 6%).

Pada tanggal 31 Desember 2006 pinjaman subordinasi eks pemegang saham BTO sejumlah Rp 124.320 (2005 dan 2004: Rp 124.320) sudah jatuh tempo.

Bank telah menerima surat dari Departemen Keuangan Republik Indonesia, tertanggal 17 Januari 2007 berkaitan dengan penyelesaian pinjaman subordinasi eks pemegang saham BTO.

Saat ini Bank sedang berusaha untuk mendapatkan kejelasan lebih lanjut dari instansi terkait mengenai isi surat tersebut.

Surat berharga subordinasi

Pada tanggal 30 Maret 2004 Bank melalui cabang *Cayman Islands* menerbitkan surat berharga subordinasi sebesar US$ 300 juta dan dicatatkan di *Singapore Stock Exchange*. Surat berharga ini adalah kewajiban subordinasi Bank dan bersifat *unsecured*. Surat berharga ini akan jatuh tempo pada tanggal 30 Maret 2014 dengan opsi pelunasan tanggal 30 Maret 2009.

***25. SUBORDINATED DEBTS** (continued)*

Subordinated loans

Balance of Rp 677,811 (2005: Rp 687,094; 2004: Rp 693,557) represents subordinated loans received by the Bank from Bank Indonesia and the former shareholders of BTO banks which merged with the Bank. These loans will mature on various dates, the latest in 2017 and bear annual interest rates ranging from 1% - 9% (2005: 1% - 9%; 2004: 1% - 6%).

As at 31 December 2006 subordinated loans of the former shareholders of the BTO banks amounting to Rp 124,320 (2005 and 2004: Rp 124,320) have matured.

The Bank has received a letter from Ministry of Finance Republic of Indonesia dated 17 January 2007 regarding the settlement of the subordinated loan of the former shareholders of the BTO banks.

Currently the Bank is seeking further clarification from the relevant authorities on the contents of the letter.

Subordinated notes

On 30 March 2004, the Bank through its Cayman Islands branch, issued US$ 300 million subordinated notes listed on the Singapore Stock Exchange. These notes are unsecured and subordinated to all other obligations of the Bank. These notes will mature on 30 March 2014, with an optional redemption for the Bank on 30 March 2009.

	2006	2005	2004	
Nilai nominal	2,700,900	2,949,000	2,785,500	*Nominal value*
Dikurangi:				***Less:***
Diskonto yang belum diamortisasi	(4,771)	(7,620)	(9,470)	*Unamortised discount*
Nilai bersih	2,696,129	2,941,380	2,776,030	*Net balance*
Biaya amortisasi yang dibebankan ke laporan laba rugi konsolidasian	2,236	2,389	1,857	*Amortisation costs charged to the consolidated statement of income*

25. PINJAMAN SUBORDINASI (lanjutan)

Surat berharga ini memiliki tingkat suku bunga tetap sebesar 7,65% per tahun, dibayarkan setiap enam bulan setiap tanggal 30 Maret dan 30 September tiap tahunnya. Kecuali dilunasi pada tanggal 30 Maret 2009, tingkat bunga akan ditentukan kembali berdasarkan tingkat bunga Tresuri Amerika Serikat untuk jangka waktu 5 tahun ditambah 7,62% (762 poin) per tahun mulai dari tanggal tersebut. Wali amanat untuk penerbitan obligasi ini adalah DB Trustees (Hong Kong) Limited.

Pada tanggal 31 Desember 2006, peringkat surat berharga ini menurut Moody's Investors Service, Inc. dan S&P adalah Ba3 dan B.

Untuk keperluan perhitungan rasio kewajiban penyediaan modal minimum (CAR), seluruh pinjaman subordinasi di atas diperhitungkan sebagai modal pelengkap, kecuali pinjaman subordinasi eks pemegang saham BTO.

***25. SUBORDINATED DEBTS** (continued)*

The notes bear interest at a fixed rate of 7.65% per annum, payable semi-annually in arrears on 30 March and 30 September each year. Unless redeemed on 30 March 2009, the interest rate will be reset at the 5 years US Treasury rate plus 7.62% (762 basis points) per annum from that date. The trustee of the bond issuance is DB Trustees (Hong Kong) Limited.

As at 31 December 2006, the rating of the notes based on Moody's Investors Service, Inc. and S&P was Ba3 and B, respectively.

For the purpose of calculating the Capital Adequacy Ratio (CAR), the above subordinated debts are treated as supplementary capital except for subordinated loans of the former shareholders of the BTO.

26. MODAL PINJAMAN

Modal pinjaman sebesar Rp 155.000 ini diperoleh dari PT Danamon International, eks pemegang saham pengendali, berdasarkan perjanjian tanggal 4 September 1997. Jangka waktu modal pinjaman ini adalah 8 tahun dan telah jatuh tempo pada tanggal 5 September 2005.

Bank telah menerima surat dari Departemen Keuangan Republik Indonesia tertanggal 28 Desember 2006 dan surat Bank Indonesia, tanggal 16 Januari 2007 berkaitan dengan penyelesaian modal pinjaman di atas.

Saat ini Bank sedang berusaha untuk mendapatkan kejelasan lebih lanjut dari instansi terkait mengenai isi surat tersebut.

26. LOAN CAPITAL

Loan capital of Rp 155,000 was obtained from PT Danamon International, a former controlling shareholder in the Bank, based on an agreement dated 4 September 1997. The term of the loan capital is 8 years and it matured on 5 September 2005.

The Bank has received a letter from the Ministry of Finance Republic of Indonesia dated 28 December 2006 and a letter from Bank Indonesia dated 16 January 2007 regarding the settlement of the above referred loan capital.

Currently the Bank is seeking further clarification from the relevant authorities on the contents of the letters.

27. MODAL SAHAM / *27. SHARE CAPITAL*

Pemegang saham / *Shareholders*	31 Desember/*December* 2006: Jumlah saham ditempatkan dan disetor penuh/ *Number of shares issued and fully paid*	Persentase kepemilikan/ *Percentage of ownership*	Jumlah nominal/ *Nominal value*
Saham Seri A (nilai nominal Rp 50.000 (nilai penuh) per saham) / ***A Series shares (Rp 50,000 (full amount) par value per share)***			
Masyarakat (kepemilikan di bawah 5%) / *Public (ownership interest below 5%)*	22,400,000	0.45%	1,120,000
Saham Seri B (nilai nominal Rp 500 (nilai penuh) per saham) / ***B Series shares (Rp 500 (full amount) par value per share)***			
Asia Financial (Indonesia) Pte. Ltd. / *Asia Financial (Indonesia) Pte. Ltd.*	3,424,842,220	69.25%	1,712,421
Morgan Stanley Securities Ltd. / *Morgan Stanley Securities Ltd.*	247,021,500	4.99%	123,511
Masyarakat (kepemilikan di bawah 5%) / *Public (ownership interest below 5%)*	1,250,256,280	25.28%	625,129
Komisaris dan Direksi / *Commissioners and Directors*	1,237,000	0.03%	618
	4,923,357,000	99.55%	2,461,679
	4,945,757,000	100.00%	3,581,679

Pemegang saham / *Shareholders*	31 Desember/*December* 2005: Jumlah saham ditempatkan dan disetor penuh/ *Number of shares issued and fully paid*	Persentase kepemilikan/ *Percentage of ownership*	Jumlah nominal/ *Nominal value*
Saham Seri A (nilai nominal Rp 50.000 (nilai penuh) per saham) / ***A Series shares (Rp 50,000 (full amount) par value per share)***			
Masyarakat (kepemilikan di bawah 5%) / *Public (ownership interest below 5%)*	22,400,000	0.46%	1,120,000
Saham Seri B (nilai nominal Rp 500 (nilai penuh) per saham) / ***B Series shares (Rp 500 (full amount) par value per share)***			
Asia Financial (Indonesia) Pte. Ltd. / *Asia Financial (Indonesia) Pte. Ltd.*	3,424,842,220	69.60%	1,712,421
Morgan Stanley Securities Ltd. / *Morgan Stanley Securities Ltd.*	335,289,000	6.81%	167,645
Masyarakat (kepemilikan di bawah 5%) / *Public (ownership interest below 5%)*	1,138,089,280	23.12%	569,044
Komisaris dan Direksi / *Commissioners and Directors*	273,500	0.01%	137
	4,898,494,000	99.54%	2,449,247
	4,920,894,000	100.00%	3,569,247

27. MODAL SAHAM (lanjutan) / ***27. SHARE CAPITAL*** *(continued)*

Pemegang saham	31 Desember/*December* 2004			
	Jumlah saham ditempatkan dan disetor penuh/ *Number of shares issued and fully paid*	Persentase kepemilikan/ *Percentage of ownership*	Jumlah nominal/ *Nominal value*	*Shareholders*
Saham Seri A (nilai nominal Rp 50.000 (nilai penuh) per saham)				***A Series shares (Rp 50,000 (full amount) par value per share)***
Masyarakat (kepemilikan di bawah 5%)	22,400,000	0.46%	1,120,000	*Public (ownership interest below 5%)*
Saham Seri B (nilai nominal Rp 500 (nilai penuh) per saham)				***B Series shares (Rp 500 (full amount) par value per share)***
PT. Perusahaan Pengelola Aset (PPA) (dahulu BPPN)	515,278,600	10.50%	257,639	*PT.Perusahaan Pengelola Asset (PPA) (formerly IBRA)*
Asia Financial (Indonesia) Pte. Ltd.	3,226,616,720	65.75%	1,613,309	*Asia Financial (Indonesia) Pte. Ltd.*
Masyarakat (kepemilikan di bawah 5%)	1,142,626,680	23.29%	571,313	*Public (ownership interest below 5%)*
	4,884,522,000	99.54%	2,442,261	
	4,906,922,000	100.00%	3,562,261	

Di tahun 2006, terdapat penambahan jumlah saham ditempatkan dan disetor penuh sebanyak 24.863.000 (2005: 13.972.000) saham dari eksekusi opsi kompensasi karyawan/manajemen berbasis saham (lihat Catatan 39) dengan penambahan nilai nominal saham sebesar Rp 12.432 (2005: Rp 6.986) dan tambahan modal disetor sebesar Rp 108.634 (2005: Rp 47.142), dimana Rp 68.343 (2005: Rp. 27.259) diakui sebagai tambahan modal disetor pada saat eksekusi opsi saham dan sebesar Rp 40.291 (2005: Rp 19.883) yang merupakan nilai wajar opsi saham, telah diakui sebagai tambahan modal disetor pada saat pembebanan beban kompensasi karyawan/manajemen berbasis saham.

In 2006, the execution of employee/management stock options (see Note 39) resulted in an increase of shares issued and fully paid by 24,863,000 (2005: 13,972,000) shares resulting in an increase in nominal value of Rp 12,432 (2005: Rp 6,986) and additional paid-up capital of Rp 108,634 (2005: Rp 47,142), whereby Rp 68,343 (2005: Rp 27,259) is recognised as additional paid-up capital at the time the options are exercised and the option fair value of Rp 40,291 (2005: Rp 19,883) has been recognised as additional paid-up capital at the time the compensation costs of employee/management stock options were recorded.

Pada tanggal 9 Agustus 2005, PPA menjual 10,50% kepemilikan di Bank kepada masyarakat dan Asia Financial (Indonesia) Pte. Ltd. (AFI) melalui mekanisme *market placement.*

On 9 August 2005, PPA sold 10.50% ownership in the Bank to the public and Asia Financial (Indonesia) Pte. Ltd. (AFI) through a market placement mechanism.

Selama tahun 2004, BPPN juga melakukan penjualan saham ke masyarakat dan AFI sebesar 13,98% dan 3,87% dari kepemilikan BPPN di Bank.

During 2004, IBRA sold 13.98% and 3.87% ownership interest to the public and AFI, respectively.

Pemegang saham akhir AFI adalah Temasek Holding Pte. Ltd., sebuah perusahaan investasi yang berkedudukan di Singapura dan dimiliki oleh Departemen Keuangan Singapura.

The ultimate shareholder of AFI is Temasek Holding Pte. Ltd., an investment holding company based in Singapore which is wholly owned by the Ministry of Finance of Singapore.

28. PENGGUNAAN LABA BERSIH / *28. APPROPRIATION OF NET INCOME*

Penggunaan laba bersih untuk tiga tahun buku terakhir adalah sebagai berikut:

The appropriation of net income for the last three financial years is as follows:

	Laba bersih untuk tahun buku/ *Net Income of financial year*			
	2005	**2004**	**2003**	
Pembagian dividen	1,001,922	1,204,039	611,200	*Distribution of dividend*
Pembagian tantiem	59,030	52,721	19,635	*Distribution of tantiem*
Pembentukan cadangan umum dan wajib	20,032	24,081	15,200	*Allocation to general and legal reserve*
Saldo laba	922,214	1,127,238	883,541	*Retained earnings*
	2,003,198	2,408,079	1,529,576	

Rapat Umum Pemegang Saham Tahunan yang diadakan pada tanggal 22 Mei 2006, memutuskan estimasi pembagian dividen untuk tahun 2005 sebesar Rp 1.003.048 atau Rp 203 untuk setiap lembar saham seri A dan B (nilai penuh). Jumlah dividen yang dibayarkan pada tanggal 4 Juli 2006 adalah sebesar Rp 1.001.922 atau Rp 202,6 untuk setiap lembar saham seri A dan B (nilai penuh).

The Annual General Shareholders' Meeting which was held at 22 May 2006, determined the estimated dividend distribution for the year 2005 of Rp 1,003,048 or Rp 203 for each A and B series shares (full amount). The actual dividend was paid on 4 July 2006 amounted to Rp 1,001,922 or Rp 202.6 for each A and B series shares (full amount).

Penggunaan laba untuk tahun buku tahun 2004 ditentukan berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan tanggal 9 Mei 2005.

The appropriation of net income for the financial year 2004 is determined in accordance with a resolution passed at the Annual General Shareholders' Meeting, dated 9 May 2005.

Pada tanggal 27 Mei 2005, Unit Pelaksanaan Penjaminan Pemerintah (Departemen Keuangan) telah menyetujui pembagian sisa dividen untuk tahun 2004 sebesar Rp 327.060, yang telah dibayarkan pada tanggal 30 Juni 2005. Dividen interim untuk tahun 2004 sebesar Rp 876.979 yang telah disetujui oleh Unit Pelaksanaan Penjaminan Pemerintah (Departemen Keuangan) pada tanggal 11 Nopember 2004 telah dibayarkan pada tanggal 21 dan 22 Desember 2004 sehingga jumlah dividen untuk tahun 2004 adalah sebesar Rp 1.204.039 atau Rp 245 (nilai penuh) untuk setiap saham seri A dan seri B.

On 27 May 2005, Unit Pelaksanaan Penjaminan Pemerintah (Ministry of Finance) approved a final dividend distribution for the year 2004 of Rp 327,060, which was paid on 30 June 2005. The interim dividend for the year 2004 of Rp 876,979, which has been approved by Unit Pelaksanaan Penjaminan Pemerintah (Ministry of Finance) on 11 November 2004 was paid on 21 and 22 December 2004, therefore the total dividend for the year 2004 was Rp 1,204,039 or Rp 245 (full amount) for each A and B series share.

Pembagian dividen untuk tahun 2003 telah disetujui oleh Unit Pelaksanaan Penjaminan Pemerintah (Departemen Keuangan) pada tanggal 25 Pebruari 2004 dan 14 April 2004 sejumlah Rp 611.200 atau Rp 125 (nilai penuh) untuk setiap saham seri A dan seri B. Pembayaran dividen tahun 2003 telah dilakukan pada bulan April 2004.

The dividend distribution for the year 2003 approved by Unit Pelaksanaan Penjaminan Pemerintah (Ministry of Finance) on 25 February 2004 and 14 April 2004, amounting to Rp 611,200 or Rp 125 (full amount) for each A and B series share. The dividend for the year 2003 was paid in April 2004.

29. CADANGAN UMUM DAN WAJIB / *GENERAL AND LEGAL RESERVE*

Pada tanggal 31 Desember 2006, Bank telah membentuk penyisihan cadangan umum dan wajib sebesar Rp 68.797 (2005: Rp 48.765; 2004: Rp 24.684) (lihat Catatan 28) sesuai dengan Undang-Undang No. 1/1995 mengenai Perseroan Terbatas, yang mengharuskan perusahaan-perusahaan untuk membuat penyisihan cadangan umum sebesar sekurang-kurangnya 20% dari jumlah modal yang ditempatkan dan disetor penuh. Undang-Undang tersebut tidak mengatur jangka waktu untuk penyisihan tersebut.

As at 31 December 2006, the Bank has a general and legal reserve of Rp 68,797 (2005: Rp 48,765; 2004: Rp 24,684) (see Note 28) in accordance with Indonesian Limited Company Law No. 1/1995 which requires companies to set up a general reserve amounting to at least 20% of the issued and paid up share capital. There is no set period of time over which this amount should be provided.

30. PENDAPATAN BUNGA / *INTEREST INCOME*

Pendapatan bunga dari pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42i.

Interest income from related parties is disclosed in Note 42i.

	2006	2005	2004	
Pinjaman yang diberikan	6,618,987	4,861,159	3,416,003	*Loans*
Obligasi Pemerintah	1,955,121	1,507,048	1,768,462	*Government Bonds*
Efek-efek dan tagihan lainnya	463,821	271,231	297,946	*Marketable securities and bills receivable*
Pendapatan pembiayaan konsumen	1,441,893	1,329,589	852,114	*Consumer financing income*
Penempatan pada bank lain dan Bank Indonesia	416,136	160,106	60,264	*Placements with other banks and Bank Indonesia*
	10,895,958	8,129,133	6,394,789	

31. BEBAN BUNGA / *INTEREST EXPENSE*

Beban bunga kepada pihak yang mempunyai hubungan istimewa diungkapkan pada Catatan 42j.

Interest expense to related party is disclosed in Note 42j.

	2006	2005	2004	
Simpanan nasabah	3,778,218	2,497,746	1,690,491	*Deposits from customers*
Pinjaman yang diterima dan simpanan dari bank lain	1,217,952	835,242	457,272	*Borrowings and deposits from other banks*
Beban bunga dan keuangan atas pembiayaan konsumen	152,207	82,845	127,899	*Interest and finance charges in relation to consumer financing*
Beban asuransi penjaminan simpanan	102,659	110,245	100,741	*Deposit insurance guarantee expense*
	5,251,036	3,526,078	2,376,403	

32. PENDAPATAN DAN BEBAN PROVISI DAN KOMISI / *32. FEES AND COMMISSIONS INCOME AND EXPENSE*

Termasuk di dalam pendapatan provisi dan komisi adalah pendapatan administrasi dan provisi Anak Perusahaan yang diperoleh dari konsumen sebesar Rp 511.705 pada tahun 2006 (2005: Rp 446.543; 2004: Rp 272.487).

Included in fees and commissions income and expense are Subsidiaries' administrative and fees income from customer, amounting to Rp 511,705 in 2006 (2005: Rp 446,543; 2004: Rp 272,487).

Termasuk di dalam beban provisi dan komisi adalah amortisasi biaya perolehan nasabah Anak Perusahaan sebesar Rp 428.922 pada tahun 2006 (2005: Rp 345.041; 2004: Rp 93.149).

Included in fees and commissions expense is the Subsidiary's amortisation of consumer financing acquisition costs amounting to Rp 428,922 in 2006 (2005: Rp 345,041; 2004: Rp 93,149).

33. IMBALAN JASA / *33. FEES*

	2006	2005	2004	
Hasil transaksi kartu kredit	304,951	204,955	155,833	*Credit card transactions*
Hasil administrasi	291,665	249,508	221,772	*Administration fees*
Lain-lain	200,558	130,165	187,897	*Others*
	797,174	584,628	565,502	

34. BEBAN UMUM DAN ADMINISTRASI / *34. GENERAL AND ADMINISTRATIVE EXPENSES*

	2006	2005	2004	
Beban kantor	591,329	434,125	340,287	*Office expenses*
Penyusutan	241,030	198,543	128,714	*Depreciation*
Sewa	170,372	164,919	127,515	*Rental*
Komunikasi	169,928	199,660	130,643	*Communications*
Iklan dan promosi	118,955	115,994	92,171	*Advertising and promotion*
Lain-lain	176,607	118,915	119,756	*Others*
	1,468,221	1,232,156	939,086	

35. BEBAN TENAGA KERJA DAN TUNJANGAN / *35. SALARIES AND EMPLOYEE BENEFITS*

	2006	2005	2004	
Gaji dan upah	843,695	735,060	529,636	*Salaries and wages*
Tunjangan karyawan	893,355	787,744	474,172	*Employee benefits*
Pendidikan dan pelatihan	59,965	62,090	58,250	*Education and training*
Lain-lain	90,956	105,690	67,230	*Others*
	1,887,971	1,690,584	1,129,288	

35. BEBAN TENAGA KERJA DAN TUNJANGAN (lanjutan) / *35. SALARIES AND EMPLOYEE BENEFITS (continued)*

Termasuk dalam tunjangan karyawan pada tahun 2006 adalah beban pensiun dan imbalan kerja lainnya sebesar Rp 79.342 (2005: Rp 51.874; 2004: Rp 46.580) (lihat Catatan 38) dan beban kompensasi karyawan/manajemen berbasis saham sebesar Rp 107.134 (2005: Rp 108.773; 2004: Rp 37.326) (lihat Catatan 39). Gaji dan kompensasi lainnya yang dibayarkan kepada *Board of Management* (termasuk Direksi) dan Komisaris sejumlah Rp 103.852 (2005: Rp 61.413; 2004: Rp 49.844).

Included in 2006 employee benefits are pension costs and other employee benefit costs of Rp 79,342 (2005: Rp 51,874; 2004: Rp 46,580) (see Note 38) and compensation costs relating to employee/ management stock options of Rp 107,134 (2005: Rp 108,773; 2004: Rp 37,326) (see Note 39). Salaries and other compensation benefits for Board of Management (including Directors) and Commissioners are Rp 103,852 (2005: Rp 61,413; 2004: Rp 49,844).

36. PENDAPATAN BUKAN OPERASIONAL / *36. NON-OPERATING INCOME*

	2006	2005	2004	
Keuntungan penjualan aktiva tetap	11,541	14,616	23,891	*Gain on sale of fixed assets*
Keuntungan penjualan penyertaan (lihat Catatan 13)	-	103,871	1,350	*Gain on sale of investment (see Note 13)*
Pembalikan kelebihan pencadangan kewajiban	-	59,000	20,352	*Write back of excess of liability provided*
Penerimaan kembali pinjaman yang telah dihapusbukukan	52,427	-	46,098	*Recoveries of loans written-off*
Lain-lain	87,252	46,107	127,793	*Others*
	151,220	223,594	219,484	

Termasuk di dalam akun lain-lain di tahun 2004 di atas adalah pendapatan dari penghapusbukuan saldo *escrow account* sebesar Rp 72.000 pada saat proses penyelesaian DUG di Desember 2004 (lihat Catatan 16).

Included in others for 2004 above is the income as a result of the escrow account release of Rp 72,000 during the DUG settlement process in December 2004 (see Note 16).

37. BEBAN BUKAN OPERASIONAL / *37. NON-OPERATING EXPENSES*

	2006	2005	2004	
Kerugian atas penjualan dan penyisihan penurunan nilai wajar aktiva yang diambil alih	359,028	298,986	96,239	*Loss on disposal and provision for decline in market value of repossessed assets*
Amortisasi *goodwill* (lihat Catatan 14)	76,505	86,974	86,974	*Goodwill amortisation (see Note 14)*
Cadangan penghapusan aktiva tetap (lihat Catatan 24)	-	-	55,000	*Provision for fixed assets written-off (see Note 24)*
Lain-lain	161,409	113,893	96,486	*Others*
	596,942	499,853	334,699	

Termasuk dalam akun lain-lain di tahun 2006 adalah biaya pesangon karyawan sebesar Rp 70.673.

Included in others for 2006 is severance payment to employees of Rp 70,673.

38. DANA PENSIUN DAN IMBALAN KERJA LAINNYA / *38. PENSION PLAN AND OTHER EMPLOYEE BENEFITS*

Dana pensiun / *Pension plan*

Bank menyelenggarakan program pensiun iuran pasti untuk karyawan tetap yang memenuhi syarat yang dikelola dan diadministrasikan oleh PT Asuransi Jiwa Manulife Indonesia.

The Bank has a defined contribution retirement program covering its qualified permanent employees, which is administered by PT Asuransi Jiwa Manulife Indonesia.

Pada tanggal 31 Desember 2006, 2005 dan 2004 iuran pegawai dan Bank masing-masing adalah sebesar 3,75% dan 6,25% dari penghasilan dasar.

As at 31 December 2006, 2005 and 2004, the employees' and Bank's contributions are 3.75% and 6.25% respectively of the employees' base salaries.

Pada tahun 2006, beban pensiun sebesar Rp 20.925 (2005: Rp 19.771; 2004: Rp 18.210) telah dibebankan pada laporan laba rugi konsolidasian.

During 2006, pension costs amounting to Rp 20,925 (2005: Rp 19,771; 2004: Rp 18,210) were charged to the consolidated statement of income.

Imbalan kerja lainnya / *Other employee benefits*

Bank / *Bank*

Kewajiban atas imbalan kerja panjang dan pasca kerja sama lainnya meliputi uang jasa, uang pisah, pesangon dan kompensasi lainnya dihitung oleh perusahaan konsultan aktuaria PT Watson Wyatt Purbajaga dengan menggunakan metode *Projected Unit Credit.*

The liability for long-term and post employment employee benefits consists of service payments, severance payments, termination benefits and other compensation is calculated by a licensed actuarial consulting firm PT Watson Wyatt Purbajaga using the Projected Unit Credit method.

Berikut ini adalah hal-hal penting yang diungkapkan dalam laporan aktuaria tanggal 11 Mei 2006, 5 Oktober 2005 dan 4 Nopember 2004 dalam menghitung kewajiban imbalan kerja per tanggal masing-masing 31 Desember 2006, 2005 dan 2004:

Following are the key matters disclosed in the actuarial report dated 11 May 2006, 5 October 2005, and 4 November 2004 to estimate the employee benefits' liability as at 31 December 2006, 2005 and 2004, respectively:

Kewajiban imbalan kerja / *Employee benefits liabilities*

	31 Desember/ *December* 2006	31 Desember/ *December* 2005	31 Juli/ *July* 2004	
Nilai kini kewajiban imbalan pasti	343,527	319,356	207,544	*Present value of defined benefit obligation*
Nilai yang belum diakui:				*Unrecognised amounts of:*
- Kerugian aktuaria	(70,822)	(77,591)	(29,311)	*Actuarial loss* -
- Biaya jasa lalu	(63,040)	(78,681)	(87,937)	*Past service cost* -
- Kewajiban transisi	-	-	(2,971)	*Transitional liability* -
Kewajiban	209,665	163,084	87,325	*Liability*

38. DANA PENSIUN DAN IMBALAN KERJA LAINNYA (lanjutan)

***38. PENSION PLAN AND OTHER EMPLOYEE BENEFITS** (continued)*

Biaya imbalan kerja

Employee benefits expenses

	1 Januari/ *January* – 31 Desember/ *December* 2006	1 Januari/ *January* – 31 Desember/ *December* 2005	1 Januari/ *January* – 31 Juli/ *July* 2004	
Biaya jasa kini	46,541	32,338	13,820	*Current service cost*
Beban bunga atas kewajiban	31,268	21,785	9,877	*Interest on obligation*
Amortisasi atas:				*Amortisation of:*
- Kerugian aktuaria	3,888	364	-	*Actuarial loss* -
- Biaya jasa lalu	6,319	6,534	3,811	*Past service cost* -
- Kewajiban transisi	-	2,097	1,223	*Transitional liability* -
- Penyelesaian nilai kini kewajiban imbalan pasti karena kurtailmen	60,612	-	-	*Releasing of present value of defined benefit obligation due to curtailment* -
Jumlah biaya	148,628	63,118	28,731	*Total expense*

Dalam periode Agustus - Desember 2004, Bank membebankan biaya imbalan kerja sebesar Rp 11.269 pada laporan laba rugi konsolidasian, yang merupakan estimasi Manajemen atas biaya imbalan kerja untuk periode tersebut, sehingga biaya imbalan kerja untuk tahun yang berakhir 31 Desember 2004 adalah sebesar Rp 40.000 dan nilai kewajiban imbalan kerja yang diakui pada tanggal 31 Desember 2004 menjadi sebesar Rp 127.086.

During the period August - December 2004, the Bank recognised employee benefit expenses of Rp 11,269 in the consolidated statement of income which represents the Management's estimate of these costs for that period. Therefore the balance of employee benefit expenses for the year ended 31 December 2004 amounted to Rp 40,000 and the employee benefits' liability as at 31 December 2004 amounts to Rp 127,086.

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas:

Key assumptions used in the above calculation:

Asumsi ekonomi:		***Economic assumptions:***
- Tingkat diskonto per tahun	10% - 12%	*Annual discount rate* -
- TIngkat kenaikan penghasilan dasar per tahun	8% - 10%	*Annual salary growth rate* -
Asumsi lainnya:		***Other assumptions:***
- Tingkat kematian	Tabel mortalitas (CSO 1980)/ *Commissioner's Standard Ordinary table (CSO 1980)*	*Mortality rate* -
- Tingkat cacat	10% dari CSO 1980/*10% of CSO 1980*	*Disability rate* -
- Tingkat pengunduran diri peserta	5% per tahun untuk peserta berusia 25 tahun dan menurun proporsional sampai 1% pada usia 45 tahun/ *5% per annum at age 25 decreasing linearly to 1% per annum at age 45*	*Withdrawal rate* -
- Tingkat pengunduran diri dipercepat	1% per tahun dari usia 46 - 54 tahun/ *1% flat for age between 46 – 54*	*Early retirement decrement rate* -
- Usia pensiun normal	55	*Normal retirement age* -

38. DANA PENSIUN DAN IMBALAN KERJA LAINNYA (lanjutan)

Anak Perusahaan

Kewajiban imbalan kerja jangka panjang dan pasca kerja meliputi pensiun, cuti berimbalan jangka panjang, *jubilee*, uang pisah, uang penghargaan dan kompensasi lainnya dihitung oleh perusahaan konsultan aktuaria PT Watson Wyatt Purbajaga untuk PT Adira Dinamika Multi Finance Tbk ("ADMF") dan PT Adira Quantum Multifinance ("AQ") yang laporannya tertanggal 9 Januari 2007 dan 23 Januari 2007, sedangkan untuk PT Asuransi Adira Dinamika ("AI") dihitung oleh perusahaan konsultan aktuaria PT Eldridge Gunaprima Solution yang laporannya tertanggal 3 Januari 2007. Semuanya dihitung dengan menggunakan metode *Projected Unit Credit*.

Berikut ini adalah gabungan hal-hal penting yang diungkapkan dalam laporan aktuaria tanggal tersebut dalam menghitung kewajiban imbalan kerja untuk Anak Perusahaan per tanggal 31 Desember 2006:

***38. PENSION PLAN AND OTHER EMPLOYEE BENEFITS** (continued)*

Subsidiaries

Long-term and post employment employee benefits, such as pension, long service leave, jubilee awards, severance pay and other benefits are calculated by a licensed actuarial consulting PT Watson Wyatt Purbajaga for PT Adira Dinamika Multi Finance Tbk ("ADMF") and PT Adira Quantum Multifinance ("AQ") respectively, whose report dated 9 January 2007 and 23 January 2007. For PT Asuransi Adira Dinamika ("AI") is calculated by a licenced actuarial consulting PT Eldrige Gunaprima Solution whose report dated 3 January 2007. All of them are calculated using the Projected Unit Credit method.

Following are combined key matters disclosed in the actuarial report's to calculate the employee benefits' liability for the Subsidiaries as at 31 December 2006:

Kewajiban imbalan kerja / ***Employee benefits liabilities***

	31 Desember/ *December* 2006	31 Desember/ *December* 2005	31 Desember/ *December* 2004	
Nilai kini kewajiban imbalan pasti	54,664	30,776	16,709	*Present value of defined benefit obligation*
Nilai yang tidak diakui:				*Unrecognised amounts of:*
- Kerugian aktuaria	(23,717)	(16,947)	(5,227)	*Actuarial loss -*
- Biaya jasa lalu	(1,099)	(1,227)	(1,361)	*Past service cost -*
Kewajiban	29,848	12,602	10,121	*Liability*

Biaya imbalan kerja / ***Employee benefits expenses***

	31 Desember/ *December* 2006	31 Desember/ *December* 2005	31 Desember/ *December* 2004	
Biaya jasa kini	10,856	4,376	4,376	*Current service cost*
Biaya bunga atas kewajiban	4,289	1,819	1,819	*Interest on obligation*
Amortisasi atas:				*Amortisation of:*
- Kerugian aktuaria	1,721	249	384	*Actuarial loss -*
- Biaya termin	46	-	-	*Termination cost -*
- Biaya jasa lalu	2,985	(2,309)	-	*Past service cost -*
Jumlah biaya	19,897	4,135	6,579	*Total expense*

38. DANA PENSIUN DAN IMBALAN KERJA LAINNYA (lanjutan)

***38. PENSION PLAN AND OTHER EMPLOYEE BENEFITS** (continued)*

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas:

Key assumptions used in the above calculation:

Asumsi ekonomi:		***Economic assumptions:***
- Tingkat diskonto per tahun	10.5% - 11%	*Annual discount rate* -
- TIngkat kenaikan penghasilan dasar per tahun	8% - 9%	*Annual salary growth rate* -
Asumsi lainnya:		***Other assumptions:***
- Tingkat kematian	Tabel mortalisasi (CSO 1980)/ *Commissioner's Standard Ordinary table (CSO 1980)*	*Table of mortality* -
- Tingkat cacat	10% dari CSO 1980/*10% of CSO 1980*	*Disability rate* -
- Tingkat pengunduran diri peserta	10% per tahun untuk peserta berusia 25 tahun dan menurun proporsional sampai 0%-0,5% per tahun pada usia 45 tahun /*10% per annum at age 25 decreasing linearly to 0% -0.5% per annum at age 45*	*Withdrawal rate* -
- Tingkat pengunduran diri dipercepat	1% untuk usia 45-55 tahun/*1% per annum at age 45-55*	*Early retirement rate* -
- Usia pensiun normal	55	*Normal retirement age* -

Bank dan Anak Perusahaan

Bank and Subsidiaries

Berikut ini adalah mutasi kewajiban imbalan kerja Bank dan Anak Perusahaan selama tahun berjalan:

Below is the movement of the employee benefits liability of the Bank and the Subsidiaries during the years:

	2006	2005	2004	
Saldo awal 1 Januari	168,223	137,207	104,132	*Beginning balance as at 1 January*
Penambahan karena akuisisi Anak Perusahaan	1,748	-	-	*Addition due to aquisition of Subsidiaries*
Beban tahun berjalan - bersih (lihat Catatan 35 dan 37)	150,015	51,874	46,580	*Current year expense – net (see Notes 35 and 37)*
Pembayaran kepada karyawan	(83,931)	(20,858)	(13,505)	*Payment to employees*
Kewajiban yang diakui di neraca konsolidasian pada tanggal 31 Desember	236,055	168,223	137,207	*Liability recognised in the consolidated balance sheet as at 31 December*

39. KOMPENSASI KARYAWAN / MANAJEMEN BERBASIS SAHAM

39. EMPLOYEE / MANAGEMENT STOCK OPTIONS

Dalam Rapat Umum Pemegang Saham Luar Biasa yang dilaksanakan pada tanggal 26 Maret 2004, pemegang saham menyetujui untuk memberikan hak opsi kepada Direksi dan karyawan senior Bank yang memenuhi persyaratan untuk membeli saham baru seri B sejumlah 245.346.100 lembar saham.

At the Extraordinary General Shareholders' Meeting held on 26 March 2004, the shareholders agreed to grant options to purchase 245,346,100 new shares B series to the Bank's Directors and Management.

39. KOMPENSASI KARYAWAN / MANAJEMEN BERBASIS SAHAM (lanjutan)

Pada tanggal 31 Desember 2006 Bank telah memberikan hak opsi untuk membeli 245.346.100 (2005: 225.196.800; 2004: 164.125.000) lembar saham dengan tahap-tahap sebagai berikut:

***39. EMPLOYEE / MANAGEMENT STOCK OPTIONS** (continued)*

As at 31 December 2006, the Bank granted options to purchase 245,346,100 (2005: 225,196,800; 2004: 164,125,000) shares through the following grants:

	Tanggal pemberian/*Grant date*	Jumlah opsi saham yang diberikan/ *Number of stock option granted*	Jumlah opsi saham yang diberikan/opsi yang beredar awal tahun/*Number of stock option granted/options outstanding at the beginning of the year*	Hak opsi yang tidak dapat digunakan selama 2006/*Number of forfeited stock option during 2006*	Jumlah opsi yang dieksekusi selama 2006/ *Number of options excersied during 2006*	Opsi yang beredar akhir tahun/ *Options outstanding at the end of the year*	Periode eksekusi/ *Exercise period*	Harga eksekusi/ *Exercise price* (nilai penuh) /(*full amount)*	Nilai wajar opsi/ *Fair value of the options* (nilai penuh)/*(full amount)*
Tahap I/ *Tranche I*	1 Jul/*Jul* 2006	66,025,000	44,270,500	(3,612,000)	(17,576,000)	23,082,500	Jul/*Jul* 2005 - Jul/*Jul* 2009	2,451	1,412 – 1,423
Tahap I/ *Tranche I*	8 Nop/*Nov* 2006	98,100,000	82,100,000	(5,500,000)	-	76,600,000	Jan/*Jan* 2007 - Jan/*Jan* 2009	2,451	1,030
Tahap II/ *Tranhe II*	1 Jul/*Jul* 2006	61,071,800	59,260,300	(4,988,870)	(7,287,000)	46,984,430	Jul/*Jul* 2006 - Jul /*Jul* 2010	5,173	2,081 – 2,098
Tahap III/ *Tranche III*	1 Jul/*Jul 2006*	29,441,500	-	(1,005,500)	-	28,436,000	Jul /*Jul* 2007 - Jul /*Jul* 2011	4,353	1,610 – 1,618
		254,638,300	185,630,800	(15,106,370)	(24,863,000)	175,102,930			

Hak opsi yang gugur selama tahun 2005 sampai dengan 30 Juni 2006 berjumlah 36.995.600 lembar saham. Dari total opsi saham yang diberikan pada tahap III sejumlah 29.441.500 lembar opsi saham, sejumlah 9.292.200 lembar opsi saham diambil dari hak opsi yang telah gugur sampai dengan 30 Juni 2006.

Total of forfeited stock options during 2005 until 30 June 2006 was 36,995,600 shares. From the total stock options granted at tranche III of 29,441,500 shares, 9,292,200 shares were taken from the forfeited stock options up to 30 June 2006.

Saham baru yang dibagikan akan diambil dari saham dalam portepel, dan bukan merupakan saham yang telah diterbitkan atau dibeli kembali.

The new shares are granted from the authorised capital, and not from issued or repurchased capital stock.

Hak opsi yang dieksekusi selama tahun 2005 dari tahap I dengan tanggal pemberian 1 Juli 2004 adalah 13.972.000 lembar (2004 : nihil).

Number of exercised options for tranche I with grant date 1 July 2004 during 2005 was 13,972,000 shares (2004: nil).

Beban kompensasi yang diakui dalam laporan laba rugi konsolidasian sehubungan dengan kompensasi karyawan/manajemen berbasis saham untuk tahun yang berakhir pada tanggal 31 Desember 2006 sebesar Rp 107.134 (2005: Rp 108.773; 2004: Rp 37.326) (lihat Catatan 35) dan dikreditkan ke akun tambahan modal disetor.

Compensation costs recognised in the consolidated statement of income in relation to the employee/management stock options for the year ended 31 December 2006 were Rp 107,134 (2005: Rp 108,773; 2004: Rp 37,326) (see Note 35) and credited to additional paid-up capital account.

Nilai wajar opsi ditentukan dengan menggunakan metode *binomial*, kecuali untuk opsi yang diberikan dalam Tahap I tanggal 8 Nopember 2004 dengan menggunakan kombinasi metode *Black & Scholes* dan *Up-and-In Call Option*.

The fair value of these options is estimated using the binomial method, except for option grant under Tranche I dated 8 November 2004 where the valuation method used is a combination of Black & Scholes and Up-and-In Call Option.

39. KOMPENSASI KARYAWAN / MANAJEMEN BERBASIS SAHAM (lanjutan) / *39. EMPLOYEE / MANAGEMENT STOCK OPTIONS (continued)*

Asumsi-asumsi yang digunakan sebagai berikut: / *The assumptions used are as follows:*

	Tahap I/ *Tranche I*	Tahap I/ *Tranche I*	Tahap II/ *Tranche II*	Tahap III/ *Tranche III*	
Tingkat pengembalian dividen	4.13%	4.13%	4.70%	4.55%	*Dividend yield*
Ketidakstabilan harga yang diharapkan	56.56%	18.47%	51.31%	49.28%	*Expected volatility*
Suku bunga bebas risiko yang diharapkan	10.94%	9.62%	10.33%	11.80%	*Expected risk-free interest rate*
Periode opsi yang diharapkan	5 tahun/*years*	5 tahun/*years*	5 tahun/*years*	5 tahun/*years*	*Expected period of the options*

40. LABA BERSIH PER SAHAM DASAR DAN DILUSIAN / *40. BASIC AND DILUTED EARNINGS PER SHARE*

a. Laba per saham dasar / *a. Basic earnings per share*

Laba bersih per saham dasar dihitung dengan membagi laba bersih yang tersedia bagi pemegang saham dengan rata-rata tertimbang jumlah saham biasa yang beredar pada tahun bersangkutan.

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2006	2005	2004	
Laba bersih kepada pemegang saham	1,325,332	2,003,198	2,408,079	*Net income attributable to shareholders*
Rata-rata tertimbang jumlah saham biasa yang beredar	4,928,599,667	4,913,252,708	4,906,922,000	*Weighted average number of ordinary shares outstanding*
Laba bersih per saham dasar (nilai penuh)	268.91	407.71	490.75	*Basic earnings per share (full amount)*

b. Laba per saham dilusian / *b. Diluted earnings per share*

Dalam perhitungan laba bersih per saham dilusian, rata-rata tertimbang jumlah saham yang beredar disesuaikan dengan asumsi konversi seluruh potensi saham yang bersifat dilutif sejak tanggal potensi saham tersebut diterbitkan. Di tahun 2006, 2005 dan 2004, Bank memiliki surat berharga yang potensial bersifat dilutif dalam bentuk opsi saham.

In the calculation of diluted earnings per share, the outstanding weighted average number of shares is adjusted to assume conversion of all potential dilutive shares from the issuance date of stock options. In year 2006, 2005 and 2004, the Bank has potential dilutive securities in the form of stock options.

Perhitungan dilusian yang dilakukan untuk opsi saham adalah untuk menentukan berapa jumlah saham yang dapat diperoleh dengan harga pasar (ditentukan sebagai harga rata-rata saham Bank selama setahun) berdasarkan nilai moneter hak pesan yang terkait dengan opsi saham yang masih beredar. Jumlah saham berdasarkan perhitungan ini dibandingkan dengan jumlah saham yang seharusnya diterbitkan apabila opsi saham dieksekusi. Penyesuaian terhadap laba bersih dan rata-rata tertimbang jumlah saham biasa yang beredar adalah sebagai berikut:

A dilution calculation for stock options is performed to determine the number of shares that could have been acquired at market price (determined as the average share price of the Bank for one year) based on the monetary value of the subscription rights attacted to outstanding share options. The number of share calculated in this way is compared with the number of shares that would have been issued assuming the exercise of the share options. The adjustment to net income and the weighted average number of ordinary shares outstanding is as follows:

40. LABA BERSIH PER SAHAM DASAR DAN DILUSIAN (lanjutan) / *40. BASIC AND DILUTED EARNINGS PER SHARE (continued)*

b. Laba per saham dilusian (lanjutan) / ***b. Diluted earnings per share***

	2006	2005	2004	
Laba bersih yang tersedia bagi pemegang saham	1,325,332	2,003,198	2,408,079	*Net income attributable to shareholders*
Rata-rata tertimbang jumlah saham biasa yang beredar	4,928,559,667	4,913,252,708	4,906,922,000	*Weighted average number of ordinary shares outstanding*
Penyesuaian untuk opsi saham	71,372,338	62,501,777	12,632,844	*Adjustment for stock options*
Rata-rata tertimbang saham biasa yang beredar untuk menentukan laba per saham dilusian	4,999,932,005	4,975,754,485	4,919,554,844	*Weighted average number of ordinary shares for diluted earnings per shares*
Laba bersih per saham dilusian (nilai penuh)	265.07	402.59	489.49	*Diluted earnings per share (full amount)*

41. KOMITMEN DAN KONTINJENSI / *41. COMMITMENTS AND CONTINGENCIES*

	2006	2005	2004	
Tagihan komitmen				***Commitment receivables***
- Fasilitas pinjaman yang diterima dan belum digunakan	1,350,450	-	-	*Unused borrowing facilities* -
Jumlah tagihan komitmen	1,350,450	-	-	*Total commitment receivables*
Kewajiban komitmen				***Commitment payables***
- Fasilitas kredit kepada debitur yang belum digunakan	10,215,541	12,627,688	5,158,597	*Unused loan facilities* -
- *Irrevocable letters of credit* yang masih berjalan	980,486	759,057	695,106	*Outstanding irrevocable letters of credit* -
- Lain-lain	-	-	281	*Others* -
Jumlah kewajiban komitmen	11,196,027	13,386,745	5,853,984	*Total commitment payables*
Kewajiban komitmen - bersih	9,845,577	13,386,745	5,853,984	*Commitment payables -net*
Tagihan kontinjensi				***Contingent receivables***
- Garansi dari bank lain	95,108	14,118	-	*Guarantees from other banks* -
- Pendapatan bunga dalam penyelesaian	188,695	101,420	61,243	*Interest receivable on non-performing assets* -
	283,803	115,538	61,243	
Kewajiban kontinjensi				***Contingent payables***
- Garansi yang diterbitkan dalam bentuk:				*Guarantees issued in the form of:* -
- *Standby letters of credit*	280,214	144,509	81,822	*Standby letters of credit* -
- *Risk sharing*	36,012	-	-	*Risk sharing* -
- Garansi Bank	1,297,123	873,729	566,383	*Bank guarantees* -
Jumlah kewajiban kontinjensi	1,613,349	1,018,238	648,205	*Total contingent payables*
Kewajiban kontinjensi - bersih	1,329,546	902,700	586,962	*Contingent payables - net*
Kewajiban komitmen dan kontinjensi -bersih	11,175,123	14,289,445	6,440,946	*Commitment and contingent payables - net*

Perubahan penyisihan kerugian atas komitmen dan kontinjensi dicatat dalam laporan laba rugi konsolidasian.

The movements in the allowances for possible losses on commitments and contingencies were recorded in the consolidated statement of income.

42. INFORMASI MENGENAI PIHAK YANG MEMPUNYAI HUBUNGAN ISTIMEWA

Saldo dan transaksi dengan pihak yang mempunyai hubungan istimewa, kecuali pinjaman yang diberikan kepada Direksi dan karyawan kunci, diperlakukan sama dengan transaksi dengan pihak lainnya.

42. RELATED PARTIES' INFORMATION

Balances and transactions with related parties, except loans to Directors and key management, are on normal commercial terms.

Pihak yang mempunyai hubungan istimewa/ ***Related parties***	**Sifat dari hubungan/** ***Nature of relationship***	**Sifat dari transaksi/** ***Nature of transaction***
Standard Chartered Bank	Dimiliki oleh pemegang saham akhir yang sama/*Owned by the same ultimate shareholder*	Penempatan dana/*Fund placements*, Derivatif/*Derivative*
PT Bank Internasional Indonesia Tbk	Dimiliki oleh pemegang saham akhir yang sama/*Owned by the same ultimate shareholder*	Penempatan dana/*Fund placements*
PT Bank Permata Tbk	Dimiliki oleh pemegang saham akhir yang sama/*Owned by the same ultimate shareholder*	Penempatan dana/*Fund placements*
PT Adira Sarana Armada	Manajemen kunci yang sama dengan Anak Perusahaan/*Same key management with Subsidiary*	Pinjaman/*Loans,* Piutang pembiayaan konsumen/*Consumer financing receivables*
Deutsche Bank AG	Pemegang saham dari pemegang saham utama Bank /*Shareholder* of Bank's *majority shareholder*	Penempatan dana/*Fund placements*, Derivatif/*Derivative*
Development Bank of Singapore, Ltd.	Dimiliki oleh pemegang saham akhir yang sama/*Owned by the same ultimate shareholder*	Penempatan dana/*Fund placements*
PT Wahana Ottomitra Multiartha	Dimiliki oleh pemegang saham akhir yang sama/*Owned by the same ultimate shareholder*	Pinjaman/*Loans*
PT Anugerah Buminusantara Abadi	Dimiliki oleh Komisaris Anak Perusahaan/*Owned by the Subsidiary's Commissioner*	Pinjaman/*Loans*
PT Cipta Mufida	Afiliasi dengan Direktur Bank/*Affiliate with Bank's Director*	Pinjaman/*Loans*
PT Indonesia Satelite Corporation Tbk	Dimiliki oleh pemegang saham akhir yang sama/*Owned by the same ultimate shareholder*	Deposito/*Deposits*

	2006	**2005**	**2004**	
Aktiva				***Assets***
a. Giro pada bank lain - bersih				*a. Current accounts with other banks - net*
PT Bank Mandiri Tbk	-	2,863	-	*PT Bank Mandiri Tbk*
PT Bank Negara Indonesia Tbk	-	16,493	-	*PT Bank Negara Indonesia Tbk*
PT Bank Internasional Indonesia Tbk	52	15	-	*PT Bank Internasional Indonesia Tbk*
PT Bank Permata Tbk	71	-	-	*PT Bank Permata Tbk*
Development Bank of Singapore (DBS), Ltd.	1,331	381	-	*Development Bank of Singapore (DBS), Ltd.*
Standard Chartered Bank (SCB) London	121,593	11,475	6,440	*Standard Chartered Bank (SCB) London*
	123,047	31,227	6,440	

42. INFORMASI MENGENAI PIHAK YANG MEMPUNYAI HUBUNGAN ISTIMEWA (lanjutan)

***42. RELATED PARTIES' INFORMATION** (continued)*

	2006	2005	2004	
Aktiva (lanjutan)				***Assets** (continued)*
b. Penempatan pada bank lain dan Bank Indonesia - bersih				*b. Placements with other banks and Bank Indonesia – net*
PT Bank Internasional Indonesia Tbk	21,000	-	-	*PT Bank Internasional Indonesia Tbk*
PT Bank Permata Tbk	2,400	-	-	*PT Bank Permata Tbk*
Standard Chartered Bank (SCB) London	887,118	371,250	10,039	*Standard Chartered Bank (SCB) London*
Deutsche Bank AG	245,143	128,700	173,250	*Deutsche Bank AG*
	1,155,661	499,950	183,289	
c. Efek-efek - bersih				*c. Marketable securities - net*
PT Bank Negara Indonesia Tbk	-	258,959	-	*PT Bank Negara Indonesia Tbk*
PT Bank Mandiri Tbk	-	10,444	-	*PT Bank Mandiri Tbk*
	-	269,403	-	
d. Tagihan derivatif - bersih				*d. Derivative receivables - net*
Standard Chartered Bank (SCB) London	170	26,320	2,867	*Standard Chartered Bank (SCB) London*
Deutsche Bank AG	6	8,094	396	*Deutsche Bank AG*
	176	34,414	3,263	
e. Pinjaman yang diberikan - bersih				*e. Loans - net*
PT Adira Sarana Armada	48,527	64,535	-	*PT Adira Sarana Armada*
PT Wahana Ottomitra Multiartha	-	56,667	-	*PT Wahana Ottomitra Multiartha*
PT Anugerah Buminusantara Abadi	1,608	4,323	-	*PT Anugerah Buminusantara Abadi*
PT Cipta Mufida	665	500	-	*PT Cipta Mufida*
Direksi dan karyawan kunci	8,400	4,192	8,283	*Directors and key management*
	59,200	130,217	8,283	
f. Piutang pembiayaan konsumen				*f. Consumer financing receivables*
PT Adira Sarana Armada				*PT Adira Sarana Armada*
Piutang pembiayaan konsumen - bruto	16,275	-	-	*Consumer financing receivables-gross*
Pendapatan pembiayaan konsumen yang belum diakui	(2,176)	-	-	*Unearned consumer financing income*
	14,099	-	-	
	1,352,183	965,211	201,275	
Persentase terhadap jumlah aktiva	1.65%	1.42%	0.34%	*Percentage of total assets*
Kewajiban				***Liabilities***
g. Simpanan nasabah				*g. Deposits from customers*
Giro	52,076	7,342	7,670	*Current accounts*
Tabungan	14,582	7,849	14,118	*Saving accounts*
Deposito berjangka	199,090	411,182	624,816	*Time deposits*
	265,748	426,373	646,604	

42. INFORMASI MENGENAI PIHAK YANG MEMPUNYAI HUBUNGAN ISTIMEWA (lanjutan)

***42. RELATED PARTIES' INFORMATION** (continued)*

	2006	2005	2004	
Kewajiban (lanjutan)				***Liabilities** (continued)*
h. Beban-beban yang masih harus dibayar dan kewajiban lain-lain				*h. Accruals and other liabilities*
PPA (dahulu BPPN)	-	-	704	*PPA (formerly IBRA)*
	-	-	704	
	265,748	426,373	647,308	
Persentase terhadap jumlah kewajiban	0.37%	0.72%	1.27%	*Percentage of total liabilities*
Laba rugi				***Statement of income***
i. Pendapatan bunga				*i. Interest income*
PT Bank Negara Indonesia Tbk	-	19,108	-	*PT Bank Negara Indonesia Tbk*
PT Adira Sarana Armada	8,587	10,798	-	*PT Adira Sarana Armada*
PT Wahana Ottomitra Multiartha	3,758	5,003	-	*PT Wahana Ottomitra Multiartha*
	12,345	34,909	-	
Persentase terhadap jumlah pendapatan bunga	0.11%	0.43%	-	*Percentage of total interest income*
j. Beban bunga				*j. Interest expense*
PT Indonesia Satelite Corporation Tbk	21,399	-	704	*PT Indonesia Satelite Corporation Tbk*
Persentase terhadap jumlah beban bunga	0.41%	-	0.03%	*Percentage of total interest expense*

PT Bank Negara Indonesia Tbk ("BNI") dan PT Bank Mandiri Tbk ("Bank Mandiri") merupakan pihak yang mempunyai hubungan istimewa dengan Bank sejak tahun 2005, namun sejak Juli 2006 dan Oktober 2006, BNI dan Bank Mandiri tidak lagi menjadi pihak yang mempunyai hubungan istimewa dengan Bank.

PT Bank Negara Indonesia Tbk ("BNI") and PT Bank Mandiri Tbk ("Bank Mandiri") were related parties to the Bank since 2005, however starting July 2006 and October 2006 BNI and Bank Mandiri, respectively are no longer related parties to the Bank.

43. HAK MINORITAS

43. MINORITY INTEREST

Hak minoritas atas kekayaan bersih Anak Perusahaan adalah sebagai berikut:

The movements of the minority interests' share in the net assets of the Subsidiaries are as follows:

	2006	2005	2004	
Hak minoritas awal tahun	171,331	126,739	1,074	*Minority interest at the beginning of the year*
Pembelian Anak Perusahaan (lihat Catatan 1c)	3,101	-	51,403	*Acquisition of Subsidiaries (see Note 1c)*
Bagian hak minoritas atas laba yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok yang tersedia untuk dijual setelah pajak	825	-	-	*Unrealised gain of available for sale securities and Government Bonds attributable to minority interest net of tax*
Bagian hak minoritas atas laba bersih tahun 2004 dan 2005	7,923	-	-	*Net income attributable to minority interest for 2004 and 2005*
Bagian hak minoritas atas laba bersih Anak Perusahaan tahun berjalan	125,581	119,092	75,336	*Net income of Subsidiaries attributable to minority interest for the year*

43. HAK MINORITAS (lanjutan) / *43. MINORITY INTEREST (continued)*

	2006	2005	2004	
Pembagian dividen	(59,500)	(74,500)	-	*Dividend distribution*
Pembagian tantiem	(4,310)	-	-	*Tantiem distribution*
Penjualan Anak Perusahaan	-	-	(1,074)	*Disposal of Subsidiaries*
Hak minoritas akhir tahun	244,951	171,331	126,739	*Minority interest at the end of the year*

44. INFORMASI SEGMEN USAHA / *44. BUSINESS SEGMENT INFORMATION*

Informasi yang berkaitan dengan segmen usaha yang utama dari Bank dan Anak Perusahaan disajikan dalam tabel di bawah ini:

Information concerning the main business segments of the Bank and Subsidiaries is set out in the table below:

Keterangan	Pendapatan bunga bersih, operasional dan investasi/ *Net interest, operating and investment income*			Laba/(rugi) bersih/ *Net income/(loss)*			Jumlah aktiva/ *Total assets*			*Description*
	2006	2005	2004	2006	2005	2004	2006	2005	2004	
Bank	6,066,873	4,937,401	4,641,079	1,323,941	2,035,182	2,407,464	79,109,766	66,441,945	57,342,275	*Bank*
Syariah	32,681	28,641	29,690	1,391	(31,984)	615	488,724	321,762	294,982	*Syariah*
Anak Perusahaan:										*Subsidiaries:*
Pembiayaan	1,358,554	1,335,573	895,177	468,982	476,368	301,345	2,934,165	1,633,211	1,598,018	*Financing*
Asuransi	203,525	-	-	90,919	-	-	694,450	-	-	*Insurance*
Jumlah	7,661,633	6,301,615	5,565,946	1,885,233	2,479,566	2,709,424	83,227,105	68,396,918	59,235,275	*Total*
Eliminasi	(418,219)	(354,234)	(226,011)	(559,901)	(476,368)	(301,345)	(1,154,418)	(593,464)	(414,470)	*Elimination*
Konsolidasi	7,243,414	5,947,381	5,339,935	1,325,332	2,003,198	2,408,079	82,072,687	67,803,454	58,820,805	*Consolidated*

45. RISIKO KREDIT / *45. CREDIT RISK*

Manajemen risiko kredit dilakukan sesuai dengan standar praktek terbaik. Bank memonitor perkembangan portofolio pinjaman secara terus menerus sebagai inisiatif langkah pencegahan jika terjadinya penurunan kualitas kredit. Bank melakukan penelaahan atas proses dan metode manajemen risiko kredit secara terus menerus dengan tujuan perbaikan.

Credit Risk Management is conducted in line with best practice standards. The Bank is monitoring the development of its loan portfolios continuously to initiate preventive action in case of deterioration in credit quality. The Bank has reviewed its credit risk management processes and methodologies on a regular basis with the objective of continuous improvement.

Sistem dan prosedur kredit Bank telah dibakukan untuk menjamin penerapan kebijakan dan pelaksanaan pemberian pinjaman secara hati-hati oleh Bank dan akan dikaji oleh pihak yang independen. Keputusan kredit diambil berdasarkan kerangka kerja yang baik, dengan mempertimbangkan kebutuhan bisnis dan terdokumentasi dengan benar. Wewenang khusus pemberian kredit telah diberikan dengan mempertimbangkan pengalaman dan catatan masing-masing individual.

Formalised credit systems and processes are in place to ensure that prudent lending policies and practices are followed throughout the Bank and are subject to independent reviews. Lending decisions are taken within a well defined framework, taking into account business requirements, and are documented. Specific lending authority has been granted, considering experience and track record of individuals.

Komitmen yang berhubungan dengan kredit

Credit related commitments

Untuk tujuan menajemen risiko kredit, komitmen untuk memberikan kredit, garansi, *standby letters of credit* dan instrumen kredit sejenis lainnya dikaji berdasarkan prosedur, kebijakan dan mekanisme yang sama seperti pinjaman.

For the purpose of credit risk management, commitments to grant credits, guarantees, standby letters of credit and similar instruments are subject to the same policies, procedures and review mechanisms as loans.

45. RISIKO KREDIT (lanjutan)

Restrukturisasi pinjaman bermasalah

Restrukturisasi pinjaman dilakukan secara hati-hati dalam menyusun strategi, dengan mempertimbangkan kepentingan Bank, nasabah dan pihak-pihak lain yang berkepentingan dan telah sesuai dengan peraturan Bank Indonesia. Perkembangan dari restrukturisasi dikaji secara berkala dan jika perlu melibatkan semua pihak yang berkepentingan. Jika diperlukan, penyesuaian lebih awal dilakukan untuk mengantisipasi memburuknya keadaan.

***45. CREDIT RISK** (continued)*

Restructured non-performing loans

Loan restructuring is carried out following carefully developed strategies, taking into account the interest of the Bank, the borrower and other interested parties and in line with regulations framed by Bank Indonesia. The progress of the restructuring process is regularly reviewed, if necessary involving all relevant parties. If appropriate, early adjustments to counteract adverse developments are considered.

46. RISIKO VALUTA ASING

Risiko valuta asing Bank pada umumnya timbul dari perdagangan perorangan di pasar mata uang asing antar bank. Kegiatan perdagangan meliputi transaksi nilai tukar valuta asing *spot* dan kontrak valuta berjangka (*forward*) dan *swap* valuta asing. Risiko nilai tukar valuta asing dimonitor pada batas/*limit* yang telah ditentukan sebelumnya.

Berikut ini adalah Posisi Devisa Neto Bank dalam nilai absolut, pada tanggal 31 Desember 2006, 2005 dan 2004 per mata uang, sesuai dengan peraturan Bank Indonesia.

46. CURRENCY RISK

The Bank's currency risk arises primarily from proprietary trading in the interbank foreign currency market. Trading activities include spot and forward foreign exchange transactions and currency swaps. Currency risk is managed within "pre-defined" limits.

Below is the Net Open Position, in absolute amounts, of the Bank as at 31 December 2006, 2005 and 2004, by currency based on Bank Indonesia regulations.

	2006	2005	2004	
Dolar Amerika Serikat	172,828	209,181	74,786	*United States Dollars*
Dolar Singapura	26,953	12,229	1,421	*Singapore Dollars*
Poundsterling	2,197	92	1,064	*Poundsterling*
Dolar Hongkong	4,515	2,773	641	*Hongkong Dollars*
Euro	1,513	3,744	4,846	*Euro*
Yen	887	4,005	59	*Yen*
Dolar Australia	2,332	1,070	8,485	*Australian Dollars*
Dolar New Zealand	2,623	221	431	*New Zealand Dollars*
Rupee India	655	282	1,674	*Indian Rupee*
Frank Swiss	1,415	459	-	*Switzerland Frank*
Lain-lain	167	26	16	*Others*
	216,085	234,082	93,423	

Pada tanggal 31 Desember 2006, persentase Posisi Devisa Neto terhadap modal adalah sebesar 1,79% (2005: 1,95%; 2004: 1,03%).

As at 31 December 2006, the Net Open Position as a percentage of capital is 1.79% (2005: 1.95%; 2004: 1.03%).

47. RISIKO LIKUIDITAS

Kebijakan likuiditas Bank ditujukan untuk memastikan bahwa kebutuhan dana dapat dipenuhi, baik untuk mengganti deposito pada saat jatuh tempo atau untuk memenuhi permintaan akan pinjaman tambahan. Tingkat aktiva lancar yang memadai dipertahankan untuk menjamin likuiditas yang terkendali secara terus menerus.

47. LIQUIDITY RISK

The Bank's liquidity policy is based on ensuring that funding requirements can be met, both to replace existing deposits as they mature and to satisfy the demands for additional borrowings. Appropriate levels of liquid assets are held to ensure a prudent level of liquidity is maintained at all times.

47. RISIKO LIKUIDITAS (lanjutan)

Tabel berikut ini menggambarkan analisis jatuh tempo aktiva dan hutang Bank dan Anak Perusahaan dihitung berdasarkan sisa periode pada akhir tahun sampai tanggal jatuh tempo sesuai kontrak.

47. LIQUIDITY RISK (continued)

The following table analysis assets and liabilities of the Bank and its Subsidiaries into relevant maturity groupings at the year end based on the remaining period to the contractual maturity date.

	2006							
	Nilai tercatat/ *Carrying value*	Tidak mempunyai tanggal jatuh tempo kontraktual/ *No contractual maturity*	Kurang dari/ *Less* 1 bulan/*month*	1 - 3 bulan/*months*	3 - 6 bulan/*months*	6 - 12 bulan/*months*	Lebih dari/ *More than* 12 bulan/*months*	
AKTIVA								***ASSETS***
Kas	832,583	-	832,583	-	-	-	-	*Cash*
Giro pada Bank Indonesia	3,949,723	-	3,949,723	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank lain - bruto	574,152	-	574,152	-	-	-	-	*Current accounts with other banks - gross*
Penempatan pada bank lain dan Bank Indonesia - bruto	5,031,580	-	2,556,841	1,169,303	1,225,086	77,000	3,350	*Placements with other banks and Bank Indonesia - gross*
Efek-efek - bruto:								*Marketable securities- gross:*
Diperdagangkan	2,120,776	-	2,036,248	-	-	-	84,528	*Trading*
Tersedia untuk dijual	3,305,870	-	-	260,712	13,859	17,577	3,013,722	*Available for sale*
Dimiliki hingga jatuh tempo	604,703	-	55,826	42,384	-	860	505,633	*Held to maturity*
Tagihan derivatif - bruto	111,159	-	3,388	25,754	59,345	10,952	11,720	*Derivative receivables- gross*
Pinjaman yang diberikan - bruto	41,164,793	-	1,847,217	3,081,912	1,947,199	1,065,887	33,222,578	*Loans – gross*
Piutang pembiayaan konsumen - bruto	1,821,513	-	185,166	215,763	168,391	363,211	888,982	*Consumer financing receivables - gross*
Piutang premi - bruto	27,482	-	-	27,482	-	-	-	*Premium receivables - gross*
Tagihan akseptasi - bruto	619,276	-	86,116	384,456	129,446	7,118	12,140	*Acceptance receivables - gross*
Obiligasi Pemerintah								*Government Bonds*
Diperdagangkan	957,300	-	-	-	-	957,300	-	*Trading*
Tersedia untuk dijual	11,058,243	-	-	152,934	618	-	10,904,691	*Available for sale*
Dimiliki hingga jatuh tempo	6,686,749	-	-	-	-	1,011,489	5,675,260	*Held to maturity*
Penyertaan - bruto	12,174	12,174	-	-	-	-	-	*Investments - gross*
Goodwill - bersih	417,419	417,419	-	-	-	-	-	*Goodwill - net*
Aktiva tetap - bersih	1,574,536	1,574,536	-	-	-	-	-	*Fixed assets - net*
Aktiva pajak tangguhan	40,253	40,253	-	-	-	-	-	*Deferred tax asset*
Beban dibayar di muka dan aktiva lain-lain - bruto	2,717,387	-	21,384	14,638	4,717	56,849	2,619,799	*Prepayments and other assets - gross*
Jumlah	83,627,671	2,044,382	12,148,644	5,375,338	3,548,661	3,568,243	56,942,403	*Total*
Dikurangi:								***Less:***
Penyisihan kerugian dan pendapatan tangguhan	1,554,984	1,554,984	-	-	-	-	-	*Allowance for possible losses and deferred income*
	82,072,687	489,398	12,148,644	5,375,338	3,548,661	3,568,243	56,942,403	
KEWAJIBAN								***LIABILITIES***
Kewajiban segera	169,151	-	169,151	-	-	-	-	*Obligations due immediately*
Simpanan nasabah	54,194,256	-	15,102,617	5,739,889	1,662,170	3,013,220	28,676,360	*Deposits from customers*
Simpanan dari bank lain	4,769,254	-	3,008,867	298,355	468,998	37,181	955,853	*Deposits from other banks*
Efek yang dijual dengan janji dibeli kembali	4,000,000	-	-	-	-	1,000,000	3,000,000	*Securities sold under repurchase agreements*
Pendapatan premi tangguhan	223,580	-	3,577	7,155	10,732	21,464	180,652	*Deferred premium income*
Premi yang belum merupakan pendapatan	138,699	138,699	-	-	-	-	-	*Unearned premium reserve*
Kewajiban akseptasi	619,276	-	86,116	384,456	129,446	7,118	12,140	*Acceptance payables*
Obligasi yang diterbitkan	1,193,890	-	-	7,875	7,875	15,750	1,162,390	*Bonds issued*
Pinjaman yang diterima	1,028,329	-	227,834	98,008	38,313	37,163	627,011	*Borrowings*
Hutang pajak	167,039	-	-	167,039	-	-	-	*Taxes payable*
Penyisihan kerugian atas komitmen dan kontinjensi	26,287	26,287	-	-	-	-	-	*Allowance for possible losses on commitments and contingencies*
Kewajiban derivatif	184,361	-	1,625	39,807	31,590	3,678	107,661	*Derivative payables*
Kewajiban pajak tangguhan	139,267	139,267	-	-	-	-	-	*Deferred tax liabilities*
Beban yang masih harus dibayar dan kewajiban lain-lain	2,003,480	-	5,376	1,599	45	33,006	1,963,454	*Accruals and other liabilities*
Pinjaman subordinasi	3,373,940	-	-	124,320	20,878	-	3,228,742	*Subordinated debts*
Modal pinjaman	155,000	-	-	155,000	-	-	-	*Loan capital*
	72,385,809	304,253	18,605,163	7,023,503	2,370,047	4,168,580	39,914,263	
Perbedaan jatuh tempo	9,686,878	185,145	(6,456,519)	(1,648,165)	1,178,614	(600,337)	17,028,140	***Maturity gap***

47. RISIKO LIKUIDITAS (lanjutan) / *47. LIQUIDITY RISK (continued)*

2005

	Nilai tercatat/ *Carrying value*	Tidak mempunyai tanggal jatuh tempo kontraktual/ *No contractual maturity*	Kurang dari/ *Less than* 1 bulan/*month*	1 - 3 bulan/*months*	3 - 6 bulan/*months*	6 - 12 bulan/*months*	Lebih dari/ *More than* 12 bulan/*months*	
Kas	640,044	-	640,044	-	-	-	-	*Cash*
Giro pada Bank Indonesia	3,563,314	-	3,563,314	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank lain - bruto	1,167,380	-	1,167,380	-	-	-	-	*Current accounts with other banks - gross*
Penempatan pada bank lain dan Bank Indonesia - bruto	5,452,379	-	4,751,563	700,816	-	-	-	*Placements with other banks and Bank Indonesia - gross*
Efek-efek - bruto:								*Marketable securities- gross:*
Diperdagangkan	1,240,097	-	1,069,826	-	-	8,784	161,487	*Trading*
Tersedia untuk dijual	615,879	-	-	-	5,871	40,000	570,008	*Available for sale*
Dimiliki hingga jatuh tempo	634,081	-	80,264	5,012	12,625	10,000	526,180	*Held to maturity*
Tagihan derivatif - bruto	136,082	-	108,954	-	-	-	27,128	*Derivative receivables- gross*
Pinjaman yang diberikan - bruto	35,995,314	-	3,439,560	4,964,466	3,903,966	5,310,844	18,376,478	*Loans – gross*
Piutang pembiayaan konsumen - bruto	761,310	-	156,611	129,334	69,933	144,979	260,453	*Consumer financing receivables - gross*
Tagihan akseptasi - bruto	521,992	-	74,495	260,830	166,303	16,973	3,391	*Acceptance receivables - gross*
Obiligasi Pemerintah								*Government Bonds*
Diperdagangkan	162,417	-	-	-	-	9,933	152,484	*Trading*
Tersedia untuk dijual	6,059,784	-	-	113,444	-	132,214	5,814,126	*Available for sale*
Dimiliki hingga jatuh tempo	7,879,804	-	-	-	-	-	7,879,804	*Held to maturity*
Penyertaan - bruto	12,080	12,080	-	-	-	-	-	*Investments - gross*
Goodwill - bersih	521,841	521,841	-	-	-	-	-	*Goodwill - net*
Aktiva tetap - bersih	1,480,028	1,480,028	-	-	-	-	-	*Fixed assets - net*
Aktiva pajak tangguhan	153,734	153,734	-	-	-	-	-	*Deferred tax asset*
Beban dibayar di muka dan aktiva lain-lain - bruto	1,931,457	1,931,457	-	-	-	-	-	*Prepayments and other assets - gross*
Jumlah	68,929,017	4,099,140	15,052,011	6,173,902	4,158,698	5,673,727	33,771,539	*Total*
Dikurangi:								***Less:***
Penyisihan kerugian dan pendapatan tangguhan	1,125,563	1,125,563	-	-	-	-	-	*Allowance for possible losses and deferred income*
	67,803,454	2,973,577	15,052,011	6,173,902	4,158,698	5,673,727	33,771,539	
KEWAJIBAN								***LIABILITIES***
Kewajiban segera	158,154	-	158,154	-	-	-	-	*Obligations due immediately*
Simpanan nasabah	44,350,482	-	11,928,134	5,179,266	1,562,947	2,766,273	22,913,862	*Deposits from customers*
Simpanan dari bank lain	3,925,961	-	2,781,796	153,259	988,292	2,614	-	*Deposits from other banks*
Efek yang dijual dengan janji dibeli kembali	2,875,000	-	-	-	-	-	2,875,000	*Securities sold under repurchase agreements*
Kewajiban akseptasi	521,992	-	74,495	260,830	166,303	16,973	3,391	*Acceptances payables*
Obligasi yang diterbitkan	495,438	-	-	-	-	-	495,438	*Bonds issued*
Pinjaman yang diterima	1,114,839	-	345,873	196,600	174,689	72,823	324,854	*Borrowings*
Hutang pajak	153,892	-	-	153,892	-	-	-	*Taxes payable*
Penyisihan kerugian atas komitmen dan kontinjensi	83,259	83,259	-	-	-	-	-	*Allowance for possible losses on commitments and contingencies*
Kewajiban derivatif	75,485	-	52,918	-	-	-	22,567	*Derivative payables*
Kewajiban pajak tangguhan	112,334	112,334	-	-	-	-	-	*Deferred tax liabilities*
Beban yang masih harus dibayar dan kewajiban lain-lain	1,392,860	1,332,277	-	56,400	4,183	-	-	*Accruals and other liabilities*
Pinjaman subordinasi	3,628,474	-	124,320	5,110	-	3,173	3,495,871	*Subordinated debts*
Modal pinjaman	155,000	-	155,000	-	-	-	-	*Loan capital*
	59,043,170	1,527,870	15,620,690	6,005,357	2,896,414	2,861,856	30,130,983	
Perbedaan jatuh tempo	8,760,284	1,445,707	(568,679)	168,545	1,262,284	2,811,871	3,640,556	***Maturity gap***

47. RISIKO LIKUIDITAS (lanjutan) / *47. LIQUIDITY RISK (continued)*

2004

	Nilai tercatat/ *Carrying value*	Tidak mempunyai tanggal jatuh tempo kontraktual/ *No contractual maturity*	Kurang dari/ *Less than* 1 bulan/*month*	1 - 3 bulan/*months*	3 - 6 Bulan/*months*	6 - 12 bulan/*months*	Lebih dari/ *More than* 12 bulan/*months*	
AKTIVA								***ASSETS***
Kas	753,256	-	753,256	-	-	-	-	*Cash*
Giro pada Bank Indonesia	2,662,100	-	2,662,100	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank lain - bruto	650,722	-	650,722	-	-	-	-	*Current accounts with other banks - gross*
Penempatan pada bank lain dan Bank Indonesia - bruto	1,028,069	-	488,964	306,980	232,125	-	-	*Placements with other banks and Bank Indonesia - gross*
Efek-efek - bruto:								*Marketable securities- gross:*
Diperdagangkan	1,770,633	-	1,514,031	-	-	-	256,602	*Trading*
Tersedia untuk dijual	911,394	-	50,500	182,925	-	-	677,969	*Available for sale*
Dimiliki hingga jatuh tempo	563,833	-	-	-	-	-	563,833	*Held to maturity*
Efek yang dibeli dengan janji dijual kembali - bruto	20,450	-	20,450	-	-	-	-	*Securities purchased under resale agreement - gross*
Tagihan derivatif - bruto	23,219	-	23,219	-	-	-	-	*-Derivative receivables- gross*
Pinjaman yang diberikan - bruto	29,415,593	-	1,959,837	2,286,564	2,434,311	3,994,421	18,740,460	*Loans - gross*
Piutang pembiayaan konsumen - bruto	878,660	-	30,437	210,323	116,788	199,289	321,823	*Consumer financing receivables - gross*
Tagihan akseptasi - bruto	522,884	-	145,956	210,953	165,975	-	-	*Acceptance receivables - gross*
Obiligasi Pemerintah								*Government Bonds*
Diperdagangkan	289,789	-	-	-	-	-	289,789	*Trading*
Tersedia untuk dijual	5,077,626	-	-	-	-	-	5,077,626	*Available for sale*
Dimiliki hingga jatuh tempo	11,956,774	-	-	-	882,488	-	11,074,286	*Held to maturity*
Pajak dibayar dimuka	-	-	-	-	-	-	-	*Prepaid taxes*
Penyertaan - bruto	77,037	77,037	-	-	-	-	-	*Investments - gross*
Goodwill - bersih	608,815	608,815	-	-	-	-	-	*Goodwill - net*
Aktiva tetap - bersih	1,297,171	1,297,171	-	-	-	-	-	*Fixed assets - net*
Aktiva pajak tangguhan	178,626	178,626	-	-	-	-	-	*Deferred tax asset*
Beban dibayar di muka dan aktiva lain-lain - bruto	1,882,104	1,528,823	-	-	353,281	-	-	*Prepayments and other assets - gross*
Jumlah	60,568,755	3,690,472	8,299,472	3,197,745	4,184,968	4,193,710	37,002,388	*Total*
Dikurangi:								***Less:***
Penyisihan kerugian dan pendapatan tangguhan	1,747,950	1,747,950	-	-	-	-	-	*Allowance for possible losses and deferred income*
	58,820,805	1,942,522	8,299,472	3,197,745	4,184,968	4,193,710	37,002,388	
KEWAJIBAN								***LIABILITIES***
Kewajiban segera	112,317	-	112,317	-	-	-	-	*Obligations due immediately*
Simpanan nasabah	40,282,715	-	10,944,085	3,285,941	2,128,444	3,835,588	20,088,657	*Deposits from customers*
Simpanan dari bank lain	1,040,445	-	450,380	75,800	254,000	260,265	-	*Deposits from other banks*
Efek yang dijual dengan janji dibeli kembali	1,000,000	-	-	-	-	-	1,000,000	*Securities sold under repurchase agreements*
Kewajiban akseptasi	522,884	-	145,956	210,953	165,975	-	-	*Acceptances payables*
Obligasi yang diterbitkan	493,422	-	-	-	-	-	493,422	*Bonds issued*
Pinjaman yang diterima	1,294,445	-	244,530	165,871	39,181	5,346	839,517	*Borrowings*
Hutang pajak	252,123	-	-	252,123	-	-	-	*Taxes payable*
Penyisihan kerugian atas komitmen dan kontinjensi	346,432	346,432	-	-	-	-	-	*Allowance for possible losses on commitments and contingencies*
Kewajiban derivatif	6,237	-	6,237	-	-	-	-	*Derivative payables*
Kewajiban pajak tangguhan	76,846	76,846	-	-	-	-	-	*Deferred tax liabilities*
Beban yang masih harus dibayar dan kewajiban lain-lain	1,837,670	1,660,654	60,759	116,257	-	-	-	*Accruals and other liabilities*
Pinjaman subordinasi	3,469,587	-	124,320	-	-	-	3,345,267	*Subordinated debts*
Modal pinjaman	155,000	-	-	-	-	155,000	-	*Loan capital*
	50,890,123	2,083,932	12,088,584	4,106,945	2,587,600	4,256,199	25,766,863	
Perbedaan jatuh tempo	7,930,682	(141,410)	(3,789,112)	(909,200)	1,597,368	(62,489)	11,235,525	***Maturity gap***

48. RISIKO TINGKAT SUKU BUNGA

Risiko tingkat suku bunga timbul dari berbagai layanan perbankan bagi nasabah. Bank juga melakukan aktivitas perdagangan investasi dan perorangan.

Tujuan utama pengelolaan tingkat suku bunga adalah untuk membatasi dampak buruk dari pergerakan tingkat suku bunga terhadap laba dan untuk meningkatkan pendapatan di dalam batasan tertentu. Bila aktivitas nilai lindung alami masih menghasilkan ketidakcocokan (*mismatch*) tingkat suku bunga, lindung nilai dilakukan di dalam batasan yang telah ditentukan sebelumnya melalui penggunaan instrumen keuangan fisik dan instrumen keuangan derivatif lainnya. Sebagian besar deposito nasabah dan pinjaman yang diberikan dengan tingkat suku bunga mengambang, berkaitan langsung dengan tingkat suku bunga pasar atau tingkat suku bunga yang diumumkan, yang disesuaikan secara periodik guna mencerminkan pergerakan pasar.

Tabel di bawah merangkum tingkat suku bunga rata-rata untuk Rupiah dan mata uang asing.

48. INTEREST RATE RISK

Interest rate risk arises from the provision of a variety of banking services to customers. The Bank also conducts proprietary trading and investment activities.

The main objective of the management of interest rate risk is to limit the adverse effect of interest rate movements on profit and to enhance earnings within defined parameters. Where natural hedging still leaves a resultant interest rate mismatch, these are hedged within pre-defined limits through the use of physical financial instruments and other derivative financial instruments. A substantial proportion of customer deposits and lending at floating interest rate, is either directly linked to market rates or based upon published rates which are periodically adjusted to reflect market movements.

The table below summarises the annual average interest rates for Rupiah and foreign currencies.

	2006		2005		2004		
	Rupiah/ *Rupiah* %	Mata Uang Asing/ *Foreign Currencies* %	Rupiah/ *Rupiah* %	Mata Uang Asing/ *Foreign Currencies* %	Rupiah/ *Rupiah* %	Mata Uang Asing/ *Foreign Currencies* %	
AKTIVA							***ASSETS***
Penempatan pada bank lain dan Bank Indonesia	11.71	5.64	9.14	3.82	7.12	1.06	*Placements with other banks and Bank Indonesia*
Efek-efek	13.53	7.41	10.29	7.97	12.19	7.35	*Marketable securities*
Pinjaman yang diberikan	18.68	8.61	15.54	6.70	15.36	5.82	*Loans*
Obligasi Pemerintah	12.56	6.81	9.62	6.90	9.58	6.76	*Government Bonds*
KEWAJIBAN							***LIABILITIES***
Simpanan nasabah							*Deposits from customers*
- Giro	2.56	0.74	2.37	0.61	2.55	0.52	*Current accounts -*
- Tabungan	3.44	-	3.01	-	3.47	-	*Savings -*
- Deposito Berjangka	11.45	2.54	8.60	2.17	6.37	0.72	*Time Deposits -*
Simpanan dari bank lain	11.38	0.12	7.28	4.40	6.73	0.76	*Deposits from other banks*
Pinjaman yang diterima	7.13	5.78	5.72	4.92	4.01	2.79	*Borrowings*
Obligasi yang diterbitkan	14.31	-	14.13	-	14.13	-	*Bonds issued*
Efek yang dijual dengan janji dibeli kembali	14.27	-	14.40	-	15.75	-	*Securities sold under repurchase agreements*
Pinjaman subordinasi	2.59	7.69	2.57	7.65	2.26	7.65	*Subordinated debts*

49. RISIKO OPERASIONAL

Risiko operasional adalah risiko kerugian yang diakibatkan oleh kurang memadai atau kegagalan proses internal, orang dan sistem atau dari kejadian-kejadian eksternal.

49. OPERATIONAL RISK

Operational risk is defined as the risk of losses resulting from inadequate or failure of internal control processes, people, systems or from external events.

49. RISIKO OPERASIONAL (lanjutan)

Dalam rangka memenuhi peraturan Bank Indonesia No.5/8/PBI/2003 tentang Penerapan Manajemen Risiko bagi Bank Umum, Bank telah mengembangkan metodologi Pengelolaan Risiko Operasional yang handal dan mencakup seluruh aspek dari siklus pengelolaan risiko (Identifikasi, Pengukuran, Pengawasan dan Manajemen).

Bank juga terlibat secara aktif sebagai anggota dari Tim kerja kepatuhan Basel II guna memastikan pemenuhan jadwal implementasi yang telah dipersyaratkan Bank Indonesia.

Beberapa aktivitas utama yang dijalankan secara berkesinambungan antara lain :

1. *Control Self Assessment* secara triwulanan yang dilakukan oleh semua unit kerja untuk mengukur kesiapan dan kecukupan kontrol pada proses-proses utama. Tindakan koreksi segera dilakukan untuk memperbaiki proses dimana kelemahan ditemukan;

2. Identifikasi dan mitigasi risiko pada setiap produk dan aktifitas baru yang diikuti dengan pendefinisian mekanisme kontrolnya;

3. Internal audit program yang baik sehingga dapat mengidentifikasi kelemahan yang ada.

Pengelolaan risiko operasional Bank dilengkapi pula dengan infrastruktur ORMS (*Operational Risk Management System*) yang kuat dan berjalan secara *on-line*, dan memungkinkan Unit Bisnis untuk turut mendukung inisiatif-inisiatif pengelolaan risiko operasional.

***49. OPERATIONAL RISK** (continued)*

Referring to Bank Indonesia Regulation No.5/8/PBI/2003 with subject Application of Risk Management for Commercial Bank, the Bank has developed robust Operational Risk Management methodologies which cover all aspects of the risk management cycle (Identification, Measurement, Controlling and Managing).

The Bank is also actively involved as a member of the Indonesian Working Group on Basel II compliance to ensure the concurrence to Bank Indonesia's implementation timeline.

The main activities which are being consistently conducted are :

1. *Quarterly Control Self Assessment exercise are conducted by all working units to measure level of readiness and control sufficiencies over key processes. Corrective actions are immediately taken to rectify the processes with control weakness;*

2. *Risk identification and mitigation are continuously performed on all new products and activities;*

3. *Strong internal audit programs that identify any possible weaknesses.*

The operational risk management in the bank is also equipped with strong ORMS (Operational Risk Management System) on-line infrastructure to enable business units to support operational risk management initiatives.

50. BATAS MAKSIMUM PEMBERIAN KREDIT BANK UMUM (BMPK)

Pada tanggal 31 Desember 2005, terdapat sedikit pelampauan BMPK kepada pihak terkait oleh Bank karena penerapan peraturan Bank Indonesia No 7/3/PBI/2005 tentang BMPK yang berlaku efektif sejak 20 Januari 2005.

Peraturan tersebut menetapkan batas maksimum penyediaan dana kepada pihak terkait tidak melebihi 10% dari modal Bank.

50. LEGAL LENDING LIMIT FOR COMMERCIAL BANKS (LLL)

As at 31 December 2005, the Bank had marginally exceeded its LLL to related parties upon implementation of Bank Indonesia's regulation No 7/3/PBI/2005 regarding LLL which became effective as of 20 January 2005.

This regulation requires that the maximum lending limit to related parties do not exceed 10% of the Bank's capital.

50. BATAS MAKSIMUM PEMBERIAN KREDIT BANK UMUM (BMPK) (lanjutan)

Pada tanggal 20 April 2005, Bank telah menyampaikan rencana tindak lanjut untuk menyelesaikan pelampauan tersebut. Sesuai dengan ketentuan BI, batas waktu penyelesaian pelampauan ini adalah 18 bulan sejak tanggal penyampaian laporan rencana tindak lanjut. Pelaksanaan penyelesaian pelampauan tersebut secara bertahap sudah dilakukan dan diharapkan dalam waktu yang ditentukan seluruh pelampauan tersebut dapat diselesaikan.

Pelampauan BMPK telah diselesaikan semuanya di September 2006 dan pada 31 Desember 2006, tidak terdapat pelampauan BMPK kepada pihak terkait maupun pihak tidak terkait.

50. LEGAL LENDING LIMIT FOR COMMERCIAL BANKS (LLL) *(continued)*

On 20 April 2005, the Bank submitted an action plan to resolve the mentioned excesses. According to this BI regulation, the deadline to resolve this is 18 months since the action plan is submitted. The implementation of the action has been done partially and expected to be resolved by the stipulated time.

Excess of LLL have been fully resolved in September 2006 and as at 31 December 2006, there was no excess of LLL to both related parties and non-related parties.

51. AKTIVITAS *FIDUCIARY*

Bank menyediakan jasa kustodi, *trustee,* pengelolaan investasi dan reksadana kepada pihak ketiga. Aktiva yang terdapat dalam aktivitas *fiduciary* tidak termasuk dalam laporan keuangan konsolidasian ini. Jumlah komisi yang diterima dari pemberian jasa ini untuk tahun yang berakhir 31 Desember 2006 adalah Rp 7.184 (2005: Rp 5.246; 2004: Rp 5.184).

51. FIDUCIARY ACTIVITIES

The Bank provides custodial, trustee, investment management and mutual fund services to third parties. Assets that are held in a fiduciary activities are not included in these consolidated financial statements. Total fees received from these services for the year ended 31 December 2006 was Rp 7,184 (2005: Rp 5,246; 2004: Rp 5,184).

52. RASIO KEWAJIBAN PENYEDIAAN MODAL MINIMUM

52. CAPITAL ADEQUACY RATIO

	2006	2005	2004	
Bank (tanpa memperhitungkan risiko pasar)				***Bank only (without market risk charge)***
Aktiva Tertimbang Menurut Risiko	49,064,058	45,851,893	33,541,936	*Risk Weighted Assets*
Total modal	10,977,209	10,765,321	9,057,238	*Total capital*
Rasio Kewajiban Penyediaan Modal Minimum	22.37%	23.48%	27.00%	*Capital Adequacy Ratio*
Bank (dengan memperhitungkan risiko pasar)				***Bank only (with market risk charge)***
Aktiva Tertimbang Menurut Risiko	53,824,614	47,465,766	35,328,476	*Risk Weighted Assets*
Total modal	10,977,209	10,765,321	9,057,238	*Total capital*
Rasio Kewajiban Penyediaan Modal Minimum	20.39%	22.68%	25.64%	*Capital Adequacy Ratio*

Rasio Kewajiban Penyediaan Modal Minimum dengan memperhitungkan perubahan risiko pasar disajikan hanya untuk informasi.

The Capital Adequacy Ratio including a charge for market risk is provided for information only.

53. PELAKSANAAN KUASI-REORGANISASI

Pada tanggal 31 Desember 2000, Bank mempunyai saldo defisit sebesar Rp 32.028.390 dan saldo negatif selisih nilai transaksi restrukturisasi entitas sepengendali sebesar Rp 26.396.157, yang terjadi sehubungan dengan penggabungan usaha 8 BTO dengan Bank.

Bank telah melaksanakan kuasi-reorganisasi pada tanggal 1 Januari 2001 sehingga aktiva bersih Bank sesudah kuasi-reorganisasi turun sebesar Rp 940.441, yang terutama berasal dari penurunan Obligasi Pemerintah dan pinjaman yang diberikan.

Sebagai akibat kuasi-reorganisasi, defisit sebesar Rp 32.968.831 (setelah penyesuaian dampak penurunan aktiva bersih karena penilaian kembali aktiva dan kewajiban Bank pada tanggal 1 Januari 2001 sebesar Rp 940.441) dan saldo negatif selisih nilai transaksi restrukturisasi entitas sepengendali sebesar Rp 26.396.157, dihapus ke akun tambahan modal disetor sehingga tambahan modal disetor menjadi tersisa sebesar Rp 25.412.

53. IMPLEMENTATION OF QUASI – REORGANISATION

As at 31 December 2000, the Bank had an accumulated deficit of Rp 32,028,390 and a negative balance of difference arising from restructuring transactions of entities under common control amounting to Rp 26,396,157, which was incurred in relation to the merger of the 8 BTOs with the Bank.

The Bank implemented a quasi-reorganisation as at 1 January 2001, which resulted in the Bank's net assets, after quasi-reorganisation, decreasing by Rp 940,441, which principally arose from the decrease in book value of Government Bonds and loans.

As a result of the quasi-reorganisation, the deficit amounted to Rp 32,968,831 (after the effect of the decrement in net assets of Rp 940,441 at 1 January 2001 due to revaluation of assets and liabilities) and the negative balance of the difference arising from restructuring transactions of entities under common control which amounted to Rp 26,396,157, was eliminated against additional paid-up capital, thus resulting in an additional paid-up capital balance of Rp 25,412.

54. PERISTIWA SETELAH TANGGAL NERACA

Bank berencana menerbitkan obligasi dalam Rupiah di tahun 2007 yang akan dicatatkan di bursa efek di Indonesia.

54. SUBSEQUENT EVENT

The Bank plans to issue IDR senior bonds in 2007 which will be registered on Indonesian stock exchanges.

55. REKLASIFIKASI AKUN

a. Pendapatan provisi dan komisi

Pendapatan provisi dan komisi sebesar Rp 248.244 dan Rp 282.890 dalam laporan keuangan konsolidasian tahun 2005 dan 2004 direklasifikasi menjadi imbalan jasa agar sesuai dengan penyajian laporan keuangan konsolidasian tahun 2006.

b. Beban provisi dan komisi

Beban provisi dan komisi sebesar Rp 16.692 dan Rp 42.497 dalam laporan keuangan konsolidasian tahun 2005 dan 2004 direklasifikasi menjadi beban lain – lain di beban operasional lainnya agar sesuai dengan penyajian laporan keuangan konsolidasian tahun 2006.

55. RECLASSIFICATION OF ACCOUNTS

a. Fees and commission income

Fees and commissions income of Rp 248,244 and Rp 282,890 included in the 2005 and 2004 consolidated financial statements, have been reclassified as fees to conform with the presentation of the 2006 consolidated financial statements.

b. Fees and commissions expense

Fees and commissions expense of Rp 16,692 and Rp 42,497 included in the 2005 and 2004 consolidated financial statements, have been reclassified as other expense in other operating expenses to conform with the presentation of the 2006 consolidated financial statements.

55. REKLASIFIKASI AKUN (lanjutan)

c. Kerugian/(keuntungan) transaksi mata uang asing – bersih

Kerugian dan keuntungan transaksi mata uang asing sebesar masing-masing Rp 6.528 dan Rp 2.274 dalam laporan keuangan konsolidasian tahun 2005 dan 2004 direklasifikasi menjadi imbalan jasa agar sesuai dengan penyajian laporan keuangan konsolidasian tahun 2006.

d. Imbalan jasa

Imbalan jasa sebesar Rp 47.561 dalam laporan keuangan konsolidasian tahun 2005 direklasifikasi menjadi beban lain – lain di beban operasional lainnya agar sesuai dengan penyajian laporan keuangan konsolidasian tahun 2006.

***55. RECLASSIFICATION OF ACCOUNTS** (continued)*

c. Foreign exchange losses/(gains) – net

Losses and gains from foreign exchange of Rp 6,528 and Rp 2,274, respectively, included in the 2005 and 2004 consolidated financial statements, have been reclassified as fees to conform with the presentation of the 2006 consolidated financial statements.

d. Fees

Fees of Rp 47,561 included in the 2005 consolidated financial statements, have been reclassified as other expenses in other operating expenses to conform with the presentation of the 2006 consolidated financial statements.

56. INFORMASI KEUANGAN TAMBAHAN

Informasi berikut pada lampiran 6/1 sampai dengan lampiran 6/9 adalah informasi keuangan tambahan PT Bank Danamon Indonesia Tbk, induk perusahaan saja, yang menyajikan penyertaan Bank pada Anak Perusahaan berdasarkan metode ekuitas.

Oleh karena perbedaan antara laporan keuangan induk perusahaan saja dengan laporan keuangan konsolidasian tidak material, maka catatan atas laporan keuangan, induk perusahaan saja, tidak disajikan dalam informasi keuangan tambahan ini.

56. SUPPLEMENTARY FINANCIAL INFORMATION

The following supplementary financial information of PT Bank Danamon Indonesia Tbk, parent company only, on schedule 6/1 to schedule 6/9, presents the Bank's investment in its Subsidiaries under the equity method.

On the basis that the differences between the parent company only and consolidated financial statements are not material, notes to the parent company only financial statements have not been included in this supplementary financial information.

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NERACA
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BALANCE SHEETS
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah except par value per share)

	2006	2005	2004	
AKTIVA				***ASSETS***
Kas	773,432	586,981	732,430	*Cash*
Giro pada Bank Indonesia	3,949,723	3,563,314	2,662,100	*Current accounts with Bank Indonesia*
Giro pada bank lain setelah dikurangi penyisihan kerugian sebesar Rp 4.105 pada tahun 2006 (2005: Rp 10.258; 2004: Rp 5.169)				*Current accounts with other banks net of allowance for possible losses of Rp 4,105 in 2006 (2005: Rp 10,258; 2004: Rp 5,169)*
- Pihak yang mempunyai hubungan istimewa	122,874	16,484	6,440	*Related parties* -
- Pihak ketiga	283,501	999,034	505,303	*Third parties* -
Penempatan pada bank lain dan Bank Indonesia setelah dikurangi penyisihan kerugian sebesar Rp 45.330 pada tahun 2006 (2005: Rp 48.655; 2004: Rp 7.264)				*Placements with other banks and Bank Indonesia net of allowance for possible losses of Rp 45,330 in 2006 (2005: Rp 48,655; 2004: Rp 7,264)*
- Pihak yang mempunyai hubungan istimewa	1,132,261	499,950	183,289	*Related parties* -
- Pihak ketiga	3,620,394	4,901,764	835,516	*Third parties* -
Efek-efek setelah dikurangi penyisihan kerugian sebesar Rp 19.294 pada tahun 2006 (2005: Rp 14.493; 2004: Rp 17.317)				*Marketable securities net of allowance for possible losses of Rp 19,294 in 2006 (2005: Rp 14,493; 2004: Rp 17,317)*
- Pihak yang mempunyai hubungan istimewa	-	269,403	-	*Related parties* -
- Pihak ketiga	5,905,559	2,206,161	3,228,543	*Third parties* -
Efek yang dibeli dengan janji dijual kembali setelah dikurangi penyisihan kerugian sebesar Rp nihil pada tahun 2006 (2005: Rp nihil; 2004: Rp 205)	-	-	20,245	*Securities purchased under resale agreements net of allowance for possible losses of Rp nil in 2006 (2005: Rp nil; 2004: Rp 205)*
Tagihan derivatif setelah dikurangi penyisihan kerugian sebesar Rp 1.112 pada tahun 2006 (2005: Rp 1.360; 2004: Rp 233)				*Derivative receivables net of allowance for possible losses of Rp 1,112 in 2006 (2005: Rp 1,360; 2004: Rp 233)*
- Pihak yang mempunyai hubungan istimewa	176	34,414	3,263	*Related party* -
- Pihak ketiga	109,871	100,308	19,723	*Third parties* -
Pinjaman yang diberikan setelah dikurangi penyisihan kerugian sebesar Rp 1.413.329 pada tahun 2006 (2005: Rp 1.017.065; 2004: Rp 1.606.597) dan pendapatan tangguhan sebesar Rp 4.820 pada tahun 2006 (2005: Rp 4.387; 2004: Rp 76.421)				*Loans net of allowance for possible losses of Rp 1,413,329 in 2006 (2005:Rp 1,017,065; 2004: Rp 1,606,597) and deferred income of Rp 4,820 in 2006 (2005: Rp 4,387; 2004:Rp 76,421)*
- Pihak yang mempunyai hubungan istimewa	59,200	130,217	8,283	*Related parties* -
- Pihak ketiga	39,687,444	34,843,645	27,724,292	*Third parties* -
Tagihan akseptasi setelah dikurangi penyisihan kerugian sebesar Rp 6.219 pada tahun 2006 (2005: Rp 5.420; 2004: Rp 5.835)	613,057	516,572	517,049	*Acceptance receivables net of allowance for possible losses of Rp 6,219 in 2006 (2005: Rp 5,420; 2004: Rp 5,835)*
Obligasi Pemerintah	18,539,076	14,102,005	17,324,189	*Government Bonds*
Penyertaan setelah dikurangi penyisihan penurunan nilai investasi sebesar Rp 12.931 pada tahun 2006 (2005: Rp 10.479; 2004: Rp 10.315) dan akumulasi amortisasi *goodwill* sebesar Rp 250.453 pada tahun 2006 (2005: Rp 173.948; 2004: Rp 86.974)	1,280,109	1,037,438	1,020,169	*Investments net of allowances for diminution in value of Rp 12,931 in 2006 (2005: Rp 10,479; 2004: Rp 10,315) and accumulated goodwill amortisation of Rp 250,453 in 2006 (2005: Rp 173,948; 2004: Rp 86,974)*
Aktiva tetap setelah dikurangi akumulasi penyusutan sebesar Rp 843.177 pada tahun 2006 (2005: Rp 704.567; 2004: Rp 602.600)	1,408,274	1,345,311	1,185,549	*Fixed assets net of accumulated depreciation of Rp 843,177 in 2006 (2005: Rp 704,567; 2004: Rp 602,600)*
Aktiva pajak tangguhan	39,412	153,734	178,626	*Deferred tax asset*
Biaya dibayar di muka dan aktiva lain-lain setelah dikurangi penyisihan kerugian sebesar Rp 1.509 pada tahun 2006 (2005: Rp 2.939; 2004: Rp 4.687)	2,074,127	1,456,972	1,482,248	*Prepayments and other assets net of allowances for possible losses of Rp 1,509 in 2006 (2005: Rp 2,939; 2004: Rp 4,687)*
JUMLAH AKTIVA	79,598,490	66,763,707	57,637,257	***TOTAL ASSETS***

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BALANCE SHEETS
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah except par value per share)

	2006	2005	2004	
KEWAJIBAN DAN EKUITAS				***LIABILITIES AND EQUITY***
KEWAJIBAN				***LIABILITIES***
Kewajiban segera	169,151	158,154	112,317	*Obligations due immediately*
Simpanan nasabah:				*Deposits from customers:*
- Pihak yang mempunyai hubungan istimewa	449,750	493,217	668,231	*Related parties -*
- Pihak ketiga	53,928,508	43,924,109	39,636,111	*Third parties -*
Simpanan dari bank lain	4,769,254	3,925,961	1,040,445	*Deposits from other banks*
Efek yang dijual dengan janji dibeli kembali	4,000,000	2,875,000	1,000,000	*Securities sold under repurchase agreements*
Kewajiban akseptasi	619,276	521,992	522,884	*Acceptance payables*
Pinjaman yang diterima	832,496	1,114,839	991,882	*Borrowings*
Hutang pajak	112,866	48,586	226,710	*Taxes payable*
Penyisihan kerugian atas komitmen dan kontinjensi	26,287	83,259	346,432	*Allowance for possible losses on commitments and contingencies*
Kewajiban derivatif	184,361	75,485	6,237	*Derivative payables*
Biaya yang masih harus dibayar dan kewajiban lain-lain				*Accruals and other liabilities*
- Pihak yang mempunyai hubungan istimewa	-	-	704	*Related parties -*
- Pihak ketiga	1,535,674	1,170,678	1,656,774	*Third parties -*
Pinjaman subordinasi	3,373,940	3,628,474	3,469,587	*Subordinated debts*
Modal pinjaman	155,000	155,000	155,000	*Loan capital*
JUMLAH KEWAJIBAN	70,156,563	58,174,754	49,833,314	***TOTAL LIABILITIES***
EKUITAS				***EQUITY***
Modal saham - nilai nominal Rp 50.000 (2005 dan 2004: Rp 50.000) per saham untuk seri A dan Rp 500 (2005 dan 2004: Rp 500) per saham untuk seri B				*Share capital - par value per share Rp 50,000 (2005 and 2004: Rp 50,000) for A series shares and Rp 500 (2005 and 2004 Rp 500) for B series shares*
Modal dasar - 22.400.000 (2005 dan 2004: 22.400.000) saham seri A dan 17.760.000.000 (2005 dan 2004: 17.760.000.000) saham seri B				*Authorised - 22,400,000 (2005 and 2004: 22,400,000) A series shares and 17,760,000,000 (2005 and 2004: 17,760,000,000) B series shares*
Modal ditempatkan dan disetor penuh 22.400.000 (2005 dan 2004: 22.400.000) saham seri A dan 4.923.357.000 (2005: 4.898.494.000 dan 2004: 4.884.522.000) saham seri B	3,581,679	3,569,247	3,562,261	*Issued and fully paid 22,400,000 (2005 and 2004: 22,400,000) A series shares and 4,923,357,000 (2005: 4,898,494,000 and 2004: 4,884,522,000) B series shares*
Tambahan modal disetor	374,247	198,770	62,738	*Additional paid-up capital*
Modal disetor lainnya	189	189	189	*Other paid-up capital*
Selisih kurs karena penjabaran laporan keuangan	2,950	3,295	2,718	*Difference in foreign currency translation*
Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual	223,456	(183,074)	798,928	*Unrealised gains/(losses) of available for sale marketable securities and Government Bonds*
Cadangan umum dan wajib	68,797	48,765	24,684	*General and legal reserve*
Selisih transaksi perubahan ekuitas Anak Perusahaan	(5,500)	-	-	*Difference in transactions of changes in equity of Subsidiaries*
Saldo laba (setelah defisit sebesar Rp 32.968.831 dieliminasi melalui kuasi-reorganisasi tanggal 1 Januari 2001)	5,196,109	4,951,761	3,352,425	*Retained earnings (after deficit of Rp 32,968,831 was eliminated through quasi-reorganisation on 1 January 2001)*
JUMLAH EKUITAS	9,441,927	8,588,953	7,803,943	***TOTAL EQUITY***
JUMLAH KEWAJIBAN DAN EKUITAS	79,598,490	66,763,707	57,637,257	***TOTAL LIABILITIES AND EQUITY***

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN LABA RUGI
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah, kecuali laba bersih per saham)

STATEMENTS OF INCOME
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah, except earnings per share)

	2006	2005	2004	
PENDAPATAN DAN BEBAN OPERASIONAL				***INCOME AND EXPENSES FROM OPERATIONS***
Pendapatan bunga	9,417,004	6,803,029	5,535,100	*Interest income*
Pendapatan provisi dan komisi	279,527	217,237	163,086	*Fees and commissions income*
	9,696,531	7,020,266	5,698,186	
Beban bunga	5,121,369	3,446,276	2,247,977	*Interest expense*
Beban provisi dan komisi	3,486	441	532	*Fees and commissions expense*
	5,124,855	3,446,717	2,248,509	
Pendapatan bunga bersih	4,571,676	3,573,549	3,449,677	***Net interest income***
PENDAPATAN OPERASIONAL LAINNYA				***OTHER OPERATING INCOME***
Keuntungan penjualan efek-efek dan Obligasi Pemerintah - bersih	307,275	445,366	430,072	*Gains on sale of marketable securities and Government Bonds - net*
Imbalan jasa	711,645	583,010	564,501	*Fees*
Bagian laba bersih Anak Perusahaan	505,628	357,276	226,011	*Shares in net income of Subsidiaries*
Pendapatan dividen	3,330	3,020	508	*Dividend income*
	1,527,878	1,388,672	1,221,092	
BEBAN OPERASIONAL LAINNYA				***OTHER OPERATING EXPENSES***
Kerugian/(keuntungan) transaksi mata uang asing - bersih	126,650	(133,062)	36,121	*Foreign exchange losses/(gains) - net*
Kerugian/(keuntungan) yang belum direalisasi atas perubahan nilai wajar efek-efek dan Obligasi Pemerintah - bersih	1,554	(1,903)	63,200	*Unrealised losses/(gains) from changes in fair value of marketable securities and Government Bonds - net*
Beban umum dan administrasi	1,201,248	1,011,005	772,632	*General and administrative expenses*
Beban tenaga kerja dan tunjangan	1,421,713	1,332,213	953,055	*Salaries and employee benefits*
Penyisihan kerugian atas aktiva	985,667	(256,234)	(445,111)	*Allowance for possible losses on assets*
Lain-lain	155,357	91,496	75,485	*Others*
	3,892,189	2,043,515	1,455,382	
PENDAPATAN OPERASIONAL BERSIH	2,207,365	2,918,706	3,215,387	***NET OPERATING INCOME***
PENDAPATAN DAN BEBAN BUKAN OPERASIONAL				***NON-OPERATING INCOME AND EXPENSES***
Pendapatan bukan operasional	75,242	206,082	208,976	*Non-operating income*
Beban bukan operasional	(520,684)	(445,107)	(255,803)	*Non-operating expenses*
BEBAN BUKAN OPERASIONAL –BERSIH	(445,442)	(239,025)	(46,827)	***NON-OPERATING EXPENSES - NET***
LABA SEBELUM PAJAK PENGHASILAN	1,761,923	2,679,681	3,168,560	***INCOME BEFORE TAX***
PAJAK PENGHASILAN	(436,591)	(676,483)	(760,481)	***INCOME TAX***
LABA BERSIH	1,325,332	2,003,198	2,408,079	***NET INCOME***
LABA BERSIH PER SAHAM DASAR	268.91	407.71	490.75	***BASIC EARNINGS PER SHARE***
LABA BERSIH PER SAHAM DILUSIAN	265.07	402.59	489.49	***DILUTED EARNINGS PER SHARE***

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah)

	Modal saham/ *Share capital*	Tambahan modal disetor/ *Additional paid-up capital*	Modal disetor lainnya/ *Other paid-up capital*	Selisih kurs karena penjabaran laporan keuangan/ *Difference in foreign currency translation*	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual/ *Unrealised gains/ (losses) of available for sale marketable securities and Government Bonds*	Selisih transaksi perubahan ekuitas Anak Perusahaan/ *Difference in transactions of changes in equity of Subsidiaries*	Cadangan umum dan wajib/ *General and legal reserve*	Saldo laba/ *Retained earnings*	Jumlah ekuitas/ *Total equity*	
Saldo pada tanggal 1 Januari 2004	3,562,261	25,412	189	2,886	754,586	-	9,484	2,467,381	6,822,199	*Balance as at 1 January 2004*
Laba bersih tahun berjalan	-	-	-	-	-	-	-	2,408,079	2,408,079	*Net income for the year*
Pembentukan cadangan umum dan wajib	-	-	-	-	-	-	15,200	(15,200)	-	*Allocation to general and legal reserve*
Pembagian tantiem	-	-	-	-	-	-	-	(19,635)	(19,635)	*Distribution of tantiem*
Selisih kurs karena penjabaran laporan keuangan	-	-	-	(168)	-	-	-	-	(168)	*Difference in foreign currency translation*
Keuntungan yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual	-	-	-	-	44,342	-	-	-	44,342	*Unrealised gains of available for sale marketable securities and Government Bonds*
Beban kompensasi karyawan/ manajemen berbasis saham	-	37,326	-	-	-	-	-	-	37,326	*Compensation costs of employee/ management stock options*
Pembagian dividen tunai	-	-	-	-	-	-	-	(1,488,200)	(1,488,200)	*Distribution of cash dividend*
Saldo pada tanggal 31 Desember 2004	3,562,261	62,738	189	2,718	798,928	-	24,684	3,352,425	7,803,943	*Balance as at 31 December 2004*

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah)

	Modal saham/ *Share capital*	Tambahan modal disetor/ *Additional paid-up capital*	Modal disetor lainnya/ *Other paid-up capital*	Selisih kurs karena penjabaran laporan keuangan/ *Difference in foreign currency translation*	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual/ *Unrealised gains/ (losses) of available for sale marketable securities and Government Bonds*	Selisih transaksi perubahan ekuitas Anak Perusahaan/ *Difference in transactions of changes in equity of Subsidiaries*	Cadangan umum dan wajib/ *General and legal reserve*	Saldo laba/ *Retained earnings*	Jumlah ekuitas/ *Total equity*	
Saldo pada tanggal 1 Januari 2005	3,562,261	62,738	189	2,718	798,928	-	24,684	3,352,425	7,803,943	*Balance as at 1 January 2005*
Laba bersih tahun berjalan	-	-	-	-	-	-	-	2,003,198	2,003,198	*Net income for the year*
Pembentukan cadangan umum dan wajib	-	-	-	-	-	-	24,081	(24,081)	-	*Allocation to general and legal reserve*
Pembagian tantiem	-	-	-	-	-	-	-	(52,721)	(52,721)	*Distribution of tantiem*
Selisih kurs karena penjabaran laporan keuangan	-	-	-	577	-	-	-	-	577	*Difference in foreign currency translation*
Kerugian yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual	-	-	-	-	(982,002)	-	-	-	(982,002)	*Unrealised losses of available for sale marketable securities and Government Bonds*
Opsi kepemilikan saham karyawan/ manajemen yang dieksekusi	6,986	27,259	-	-	-	-	-	-	34,245	*Employee/management stock options exercised*
Beban kompensasi karyawan/ manajemen berbasis saham	-	108,773	-	-	-	-	-	-	108,773	*Compensation costs of employee/ management stock options*
Pembagian dividen tunai	-	-	-	-	-	-	-	(327,060)	(327,060)	*Distribution of cash dividend*
Saldo pada tanggal 31 Desember 2005	3,569,247	198,770	189	3,295	(183,074)	-	48,765	4,951,761	8,588,953	*Balance as at 31 December 2005*

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah)

	Modal saham/ *Share capital*	Tambahan modal disetor/ *Additional paid-up capital*	Modal disetor lainnya/ *Other paid-up capital*	Selisih kurs karena penjabaran laporan keuangan/ *Difference in foreign currency translation*	Keuntungan/ (kerugian) yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual/ *Unrealised gains/ (losses) of available for sale marketable securities and Government Bonds*	Selisih transaksi perubahan ekuitas Anak Perusahaan/ *Difference in transactions of changes in equity of Subsidiaries*	Cadangan umum dan wajib/ *General and legal reserve*	Saldo laba/ *Retained earnings*	Jumlah ekuitas/ *Total equity*	
Saldo pada tanggal 1 Januari 2006	3,569,247	198,770	189	3,295	(183,074)	-	48,765	4,951,761	8,588,953	*Balance as at 1 January 2006*
Laba bersih tahun berjalan	-	-	-	-	-	-	-	1,325,332	1,325,332	*Net income for the year*
Pembentukan cadangan umum dan wajib	-	-	-	-	-	-	20,032	(20,032)	-	*Allocation to general and legal reserve*
Pembagian tantiem	-	-	-	-	-	-	-	(59,030)	(59,030)	*Distribution of tantiem*
Selisih kurs karena penjabaran laporan keuangan	-	-	-	(345)	-	-	-	-	(345)	*Difference in foreign currency translation*
Keuntungan yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual bersih setelah pajak	-	-	-	-	406,530	7,430	-	-	413,960	*Unrealised gains of available for sale marketable securities and Government Bonds, net of tax*
Opsi kepemilikan saham karyawan/ manajemen yang dieksekusi	12,432	68,343	-	-	-	-	-	-	80,775	*Employee/management stock options exercised*
Beban kompensasi karyawan/ manajemen berbasis saham	-	107,134	-	-	-	-	-	-	107,134	*Compensation costs of employee/ management stock options*
Pembagian dividen tunai	-	-	-	-	-	-	-	(1,001,922)	(1,001,922)	*Distribution of cash dividend*
Pembagian tantiem Anak Perusahaan	-	-	-	-	-	(12,930)	-	-	(12,930)	*Distribution of Subsidiary's tantiem*
Saldo pada tanggal 31 Desember 2006	3,581,679	374,247	189	2,950	223,456	(5,500)	68,797	5,196,109	9,441,927	*Balance as at 31 December 2006*

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah)

	2006	2005	2004	
Arus kas dari kegiatan operasi:				***Cash flows from operating activities:***
Pendapatan bunga, provisi dan komisi	9,421,511	6,780,479	5,685,253	*Interest income, fees and commissions*
Bunga, provisi dan komisi yang dibayar	(5,041,679)	(3,313,535)	(2,244,417)	*Payments of interest, fees and commisssions*
Pendapatan operasional lainnya	713,669	627,627	996,016	*Other operating income*
(Kerugian)/keuntungan transaksi mata uang asing – bersih	(113,802)	(31,129)	143,798	*Foreign exchange (losses)/gains - net*
Beban operasional lainnya	(2,448,249)	(2,067,582)	(1,768,732)	*Other operating expenses*
Pembagian tantiem	(59,030)	(52,721)	(19,635)	*Distribution of tantiem*
(Beban)/pendapatan bukan - operasional - bersih	(374,804)	(304,134)	98,017	*Non-operating (expenses)/income - net*
Laba sebelum perubahan dalam aktiva dan kewajiban operasi	2,097,616	1,639,005	2,890,300	*Income before changes in operating assets and liabilities*
Perubahan dalam aktiva dan kewajiban operasi:				*Changes in operating assets and liabilities:*
- Penurunan/(kenaikan) aktiva operasi:				*Decrease/(increase) in operating assets: -*
- Penempatan pada bank lain dan Bank Indonesia	652,384	(4,424,300)	1,360,198	*Placements with other banks and Bank Indonesia -*
- Efek-efek dan Obligasi Pemerintah	(3,574,348)	938,877	133,584	*Marketable securities and Government Bonds -*
- Efek yang dibeli dengan janji dijual kembali	-	20,450	(20,450)	*Securities purchased under resale agreements -*
- Pinjaman yang diberikan	(5,786,881)	(7,127,405)	(9,007,181)	*Loans -*
- Tagihan akseptasi	(97,284)	892	(103,575)	*Acceptance receivables -*
- Pajak dibayar dimuka	-	-	3,727	*Prepaid taxes -*
- Beban dibayar di muka dan aktiva lain-lain	(386,296)	107,782	(466,697)	*Prepayments and other assets -*
- Kenaikan/(penurunan) kewajiban operasi:				*Increase/(decrease) in operating liabilities: -*
- Kewajiban segera	10,997	45,837	(1,702)	*Obligations due immediately -*
- Simpanan nasabah:				*Deposits from customers: -*
- Giro	890,036	(745,254)	260,194	*Current accounts -*
- Tabungan	1,159,875	(2,603,334)	(375,892)	*Savings -*
- Deposito berjangka	7,911,021	7,461,572	620,431	*Time deposits -*
- Simpanan dari bank lain	843,293	2,885,516	619,495	*Deposits from other banks -*
- Kewajiban akseptasi	97,284	(892)	103,575	*Acceptance payables -*
- Hutang pajak	29,808	(60,524)	171,757	*Taxes payable -*
- Beban yang masih harus dibayar dan kewajiban lain-lain	165,992	(662,639)	(10,461)	*Accruals and other liabilities -*
- Pajak penghasilan yang dibayar selama tahun berjalan	(383,564)	(769,326)	(605,650)	*Income tax paid during the year -*
- Selisih kurs karena penjabaran laporan keuangan	(345)	577	(168)	*Difference in foreign currency translation -*
Kas bersih diperoleh dari /(digunakan untuk) kegiatan operasi	3,629,588	(3,293,166)	(4,428,515)	***Net cash provided/ (used in) from operating activities***

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2006, 2005 DAN 2004
(Dinyatakan dalam jutaan Rupiah)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah)

	2006	2005	2004	
Arus kas dari kegiatan investasi:				***Cash flows from investing activities:***
Pembelian Obligasi Pemerintah	(41,870,542)	(7,654,496)	(13,288,446)	*Acquisition of Government Bonds*
Penjualan Obligasi Pemerintah	38,385,991	10,474,513	17,980,946	*Sale of Government Bonds*
Pembelian aktiva tetap	(322,093)	(349,719)	(311,912)	*Acquisition of fixed assets*
Hasil penjualan aktiva tetap	46,714	27,071	118,479	*Proceeds from sale of fixed assets*
Akuisisi Anak Perusahaan dan/atau penurunan penyertaan di Anak Perusahaan	-	-	(850,000)	*Acquisition of the Subsidiaries and/or decrease in investment in Subsidiaries*
Hasil penjualan saham Anak Perusahaan dan perusahaan asosiasi	-	137,124	1,350	*Proceeds from sales of shares in Subsidiaries and asssociated companies*
Penerimaan dividen	181,830	226,520	8,008	*Dividend income*
Kas bersih (digunakan untuk)/ diperoleh dari kegiatan investasi	(3,578,100)	2,861,013	3,658,425	***Net cash (used in)/provided from investing activities***
Arus kas dari kegiatan pendanaan:				***Cash flows from financing activities:***
(Penurunan)/kenaikan pinjaman yang diterima	(282,342)	122,957	(221,682)	*(Decrease)/increase in borrowings*
Kenaikan/(penurunan) efek yang dijual dengan janji dibeli kembali	1,125,000	1,875,000	-	*Increase/(decrease) in securities sold under repurchase agrrements*
Pembagian dividen	(1,001,922)	(327,060)	(1,488,200)	*Distribution of cash dividend*
Opsi kepemilikan saham oleh karyawan/ manajemen yang dieksekusi	80,775	27,259	-	*Employee/management stock options exercised*
(Penurunan)/kenaikan pinjaman subordinasi	(9,282)	(6,463)	2,559,380	*(Decrease)/increase in subordinated loans*
Kas bersih (digunakan untuk)/ diperoleh dari kegiatan pendanaan	(87,771)	1,691,693	849,498	***Net cash provided/(used in) from financing activities***
(Penurunan)/kenaikan bersih kas dan setara kas	(36,283)	1,259,540	79,408	***Net (decrease)/increase in cash and cash equivalents***
Kas dan setara kas pada awal tahun	5,165,813	3,906,273	3,826,865	***Cash and cash equivalents at the beginning of the year***
Kas dan setara kas pada akhir tahun	5,129,530	5,165,813	3,906,273	***Cash and cash equivalents at the end of the year***
Kas dan setara kas terdiri dari:				***Cash and cash equivalents consist of:***
Kas	773,432	586,981	732,430	*Cash*
Giro pada Bank Indonesia	3,949,723	3,563,314	2,662,100	*Current accounts with Bank Indonesia*
Giro pada bank lain - bersih	406,375	1,015,518	511,743	*Current accounts with other banks - net*
Jumlah kas dan setara kas	5,129,530	5,165,813	3,906,273	***Total cash and cash equivalents***

PT BANK DANAMON INDONESIA Tbk
INDUK PERUSAHAAN / *PARENT COMPANY*

LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR
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(Dinyatakan dalam jutaan Rupiah)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
31 DECEMBER 2006, 2005 AND 2004
(Expressed in million Rupiah)

	2006	2005	2004	
Informasi tambahan arus kas:				***Supplemental cash flow information:***
Aktivitas yang tidak mempengaruhi arus kas:				*Activities not affecting cash flows:*
Penambahan aktiva tetap melalui reklasifikasi dari akun uang muka pembelian pinjaman sindikasi	-	-	486,746	***Addition of fixed assets through reclassification from account advance for syndicated loan purchased***

Corporate Data

Organisation Structure

Note
*Directors

Senior Officers

BOARD OF COMMISSIONERS

Ng Kee Choe	President Commissioner
J.B. Kristiadi	Vice President Commissioner
Milan R. Shuster	Commissioner
Harry Arief Soepardi Sukadis	Commissioner
Gan Chee Yen	Commissioner
Liew Cheng San Victor	Commissioner
Manggi Taruna Habir	Commissioner
Philip Eng*	Commissioner

BOARD OF DIRECTORS

Sebastian Paredes	President Director
Jerry Ng	Vice President Director
Muliadi Rahardja	Director (HRD)
Anika Faisal	Director (Legal & Compliance)
Vera Eve Lim	Director (CFO)
Ali Yong	Director
Rene Eugene Burger	Director
Hendarin Sukarmadji	Director (Syariah)
Sanjiv Malhotra	Director

CORPORATE BANKING

Hery Adriawan Zainal	Full Relationship Head
Thomas Kristian Husted	Corporate Finance Head
Rudianto Sudargo	Corporate Finance Head
Hugeng Gozali	Selected Head
V.P. Stevy Salindeho	Credit Support Admin Head

SME & COMMERCIAL

Ajit Ramesh Raikar	SME & Commercial Business Head
Budi Tjahja Halim	Commercial Business Head
Lim Geok Sim	Credit Risk Head
Arief Harris	SME Banking Head
Jayanta Kumar Roy	Risk Head for Asset Based Finance
Juwono Akuan Rokanta	Credit Support Admin & Documentation Risk Head

SELF EMPLOYED MASS MARKET

Djemi Suhenda	Mass Market Head
Farmawaty Tan	Risk Management Head Mass Market
Karim Indra Gupta Siregar	Business Support Head Mass Market
Khoe Minhari H.	Sales & Distribution Head SEMM
M. Budi Utomo	Sales & Distribution Head CMM
Putu Gde Wibawa	HR Business Partner Mass Market
Ratih Rachmawaty	Business Planning Head Mass Market
Loefty Wahjoe Indraprastha	Mass Market Research Head

CONSUMER BANKING/DISTRIBUTION

Agus Setiawan Suthedjo	National Sales Management Head
Rafael Melendez	Consumer Risk Management Head
Subba Vaidyanathan	Card Business Head
Rodolfo E. Maldonado Perez	Retail Banking Head
Edy Tuhirman	Bancassurance Business Head
Rudy Basri	E-Banking & DAC Head
Wicahyo Ratomo	Strategic Planning Head
Hadi Wibowo	Project Manager - Alpha Branch Roll Out
Mulia Salim	Finance & Operations Head
Lynn Ramli	Analytics & Portfolio Management Head
Umakanth R. Pai	Risk Management Head
Mona Rangkuty	Product, Marketing & Alliances Head
Darwin	AMEX Card Head
Lince Maria Tobing	AMEX Risk Management Head
Ivonne Purnama Chandra	Priority Banking Head
Steffano Ridwan	Lending Head

REGIONAL HEADS

Sonny Wahyubrata	Regional Consumer Head Jabotabek & Lampung
Purnomo Budi Wibowo Soetadi	Regional Consumer Head West Java
Efrain Macpal	Regional Consumer Head East Java, Nusatenggara & Bali
Stenly Oktovianus	Regional Consumer Head Sulawesi, Maluku & Papua
William Lie	Regional Consumer Head Kalimantan
Alexis Marzo	Regional Consumer Head Sumatera
A. Adji Anggono	Regional Consumer Head Central Java, Yogyakarta

* Withdrew his appointment as candidate Commissioner as at December 31, 2006, which will be presented at the next Annual General Shareholders' Meeting.
** Resigned prior to the publication of this report.

TREASURY, CAPITAL MARKET & FINANCIAL INSTITUTIONS

Lam Kun Kin**	Treasury Capital Market & Financial Institution Business Head
Alfin Tolib	Treasury Market Head
Habsari Budhi Utami	Sales Head
Harjanto Tjandra	Asset Liability Management Head
Roestiati Budiningsih	Fixed Income Head
Erny Resha Tantry	Deputy Head of Financial Institution
Veronica Eka Listiani Kartono	Business Management Head

SYARIAH BANKING

Achmad Kusna Permana	Syariah Business Head

OPERATIONAL & TRANSACTIONAL SERVICE MANAGEMENT

Atul Rasikbhai Patel	Operation Head
Bijono Waliman	Operation Control Head
Herry Hykmanto	Trade Finance & Custody Head
Jusuf Iwan Rusli	Cash Management Head
Isabella Aritonang	Trade & Custody Sales Head
Solomon Jamin	ATM & HP Banking Management Head

INTEGRATED RISK

Antony Kurniawan	Operational Risk Management Head
Gan Peng Hoei	Risk Certification Head
Wolf Arno Kluge	Credit Risk Management & SAM Head
Sanmoy Chakrabarti	Market & Liquidity Risks Head
P. Donnaria Silalahi	Business Continuity Management Head

COMPLIANCE, LEGAL & CORPORATE SECRETARY

Dini Herdini	General Legal Counsel
Toety Setyadewati	Litigation Head
Lungguk Gultom	Compliance Unit Head

FINANCIAL PLANNING, CONTROL & INVESTOR RELATIONS

Muljono Tjandra	Financial Accounting & Tax Head
I Dewa Made Susila	Investor Relations & Subsidiaries Head
Tay Shiann Beng	Advisor MIS & Integration Project
Youngkie Lukianto	Procurement Head
Jonanda Yattha Saputra	Financial Planning & Project Head

INFORMATION TECHNOLOGY

Kanchan Keshav Nijasure	Chief Technology Officer
Mary Bernadette James	IT Operation Head
Michael Patrick Sargent	IT Security & Compliance Head
Lim Siew Fong Paula	IT Fincon & DSS Head
Mahesh Ajit Ranade	IT Trade Finance & NCBS Evaluation Head
Victor Erico Korompis	IT Consumer FTP Technology Head
Titin Hurustiati	IT Service Delivery Head

AUDIT

Restiana Ie Tjoe Linggadjaya	Chief Internal Auditor
Nathan Tanuwidjaja	Group Head of IT Audit
Yulius Setiawan	Group Head of Credit Audit

HUMAN RESOURCES

Maria Theodora Kurniawati	HR Human Capital Development Head
Ruslim	C & B, Policy & Organization Head
Ign Madi Darmadi Lazuardi**	Industrial & Employee Relations Head

PUBLIC AFFAIRS

Irawati Koswara-Simms	Public Affairs Head

DANAMON PEDULI FOUNDATION

Nitya Adhitama Daud**	Chairwoman

SUBSIDIARIES

PT ADIRA DINAMIKA MULTI FINANCE TBK

Stanley S. Atmadja	President Director
Erida Gunawan	Director
Marwoto Soebiakno	Director
Hafid Hadeli	Director

PT ADIRA QUANTUM MULTIFINANCE

Serian Wijatno	President Director
Indra Gunawan Kartaraharja	Director

PT ASURANSI ADIRA DINAMIKA

Willy Suwandi Dharma	President Director
Indra Baruna	Director
Pratomo	Director

Subsidiaries & Affiliates

List of Subsidiaries & Affiliates

Company	Business Activity	% Ownership
Subsidiaries		
PT Adira Dinamika Multi Finance Tbk	Multi Finance	75.00%
PT Asuransi Adira Dinamika	Insurance	90.00%
PT Adira Quantum Multi Finance	Multi Finance	90.00%
Affiliated Companies		
PT Bank Woori Indonesia	Commercial Bank	4.81%
PT Bank Chinatrust Indonesia	Commercial Bank	1.00%
PT Sarana Lampung Ventura	Venture Capital	5.47%
PT Mitra Dana Jimbaran	Venture Capital	3.85%
PT Sarana Kalteng Ventura	Venture Capital	3.69%
PT Sarana Kalbar Ventura	Venture Capital	2.44%
PT Sarana Jambi Ventura	Venture Capital	2.26%
PT Sarana Sumbar Ventura	Venture Capital	1.82%
Others	Venture Capital etc	0.24% - 1.04%

Note: On January 26, 2004, the bank signed a Call Option Agreement which gives the bank the right to purchase up to 20% of the remaining total issued shares of Adira Dinamika Multi Finance at a predetermined strike price. This call option was issued on April 8, 2004 and expired December 30, 2006. The call option has been extended and the new expiration date is April 30, 2009.

Consolidation of Adira Insurance and Adira Quantum started in April 2006 upon receiving written approval for the investment from Bank Indonesia. As at December 31, 2006, the sale and purchase agreements for Adira Insurance and Adira Quantum are still in process.

PT Adira Dinamika Multi Finance Tbk (Adira Finance)

Established in 1990 with the ambition of becoming a world class finance company, Adira Finance predominantly derives its business from consumer automotive financing. Following Bank Danamon's purchase of 75% of Adira Finance shares, the company has experienced exponential growth, benefiting from constant access to funding on commercial terms through a joint financing scheme. With 80 branches, Adira Finance is one of the largest multi brand automotive financiers in Indonesia. ↘1

↘1

Rp million	2004	2005	2006	△YoY
Assets	1,598,017	1,633,211	2,906,905	78%
Liabilities	1,078,433	935,259	2,000,254	114%
Equity	519,584	697,952	906,651	30%
Total Income	1,146,575	1,798,303	1,983,671	10%
Total Expenses	710,890	1,122,464	1,323,091	18%
Net Income	310,345	476,368	463,939	(3%)

PT. Adira Quantum Multifinance (Adira Quantum)

Adira Quantum began operating in 2003, focusing on consumer financing for electronic and home appliances. From 8 offices in West Java, it has expanded to 23 branch offices nationwide. ↘2

PT. Asuransi Adira Dinamika (Adira Insurance)

Since 2002, Adira Insurance has specialized in the vehicle insurance business, particularly motorcycle insurance. With 9 branches and 13 marketing offices, it has emerged as one of the leading insurance companies of the country, ranked 15 among 79 local private non-life insurance companies in terms of gross premium income. ↘3

↘2

Rp million	2004	2005	2006	△YoY
Assets	25,725	2,443	27,003	1,005%
Liabilities	19,764	163	20,253	12,325%
Equity	5,961	2,280	6,749	196%
Total Income	5,914	712	37,884	5,221%
Total Expenses	10,016	4,382	33,681	669%
Net Income / (Loss)	(3,923)	(3,682)	4,470	(221%)

↘3

Rp million	2004	2005	2006	△YoY
Assets	318,340	537,030	694,450	29%
Liabilities	270,152	426,893	487,307	14%
Equity	48,188	110,137	207,143	88%
Underwriting Income	52,740	113,575	141,725	25%
Operating Expenses	33,452	62,270	80,830	30%
Net Income	23,460	63,375	90,919	44%

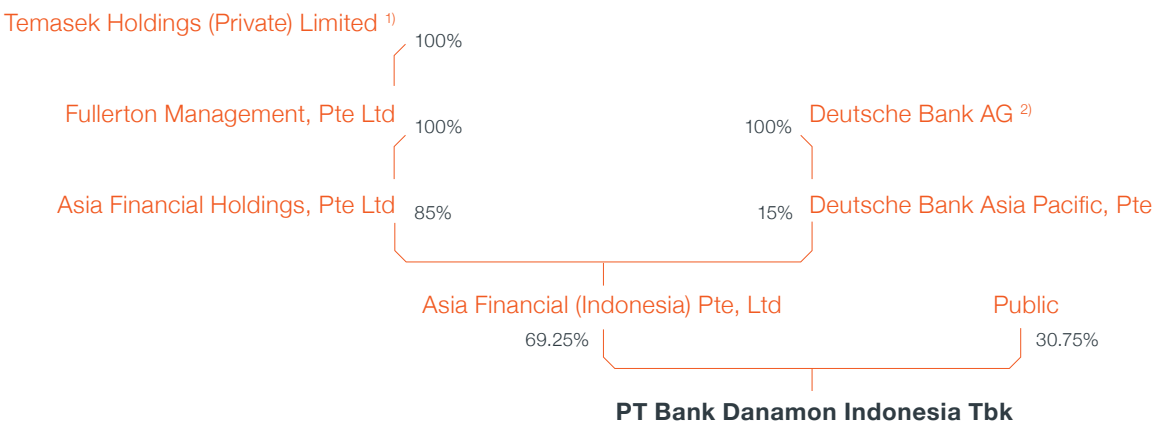
Chronological Share Overview

A Series Shares	
• Shares from Initial Public Offering in 1989	12,000,000
• Founders' shares	22,400,000
• Bonus shares from capitalization of additional paid-in capital-capital paid-in excess of par value in 1992	34,400,000
• Shares from Limited Public Offering (Rights Issue) I in 1993	224,000,000
• Bonus shares from capitalization of additional paid-in capital-capital paid-in excess of par value in 1995	112,000,000
• Shares from Limited Public Offering (Rights Issue) II in 1996	560,000,000
• Founders' shares in 1996	155,200,000
• Shares resulting from stock split in 1997	1,120,000,000
	2,240,000,000
• Increase in par value per share to Rp 10,000 par value per share through reduction in total number of shares (reverse stock split) in 2001	: 20
• Increase in par value per share to Rp 50,000 par value per share through reduction in total number of shares (reverse stock split) in 2003	: 5
• Total A series shares at 31 December 2006	**22,400,000**
B Series Shares	
• Shares issued from Limited Offering (Rights Issue) III in 1999	215,040,000,000
• Shares issued in connection with the Bank's merger with the former PDFCI in 1999	45,375,000,000
• Shares issued in connection with the Bank's merger with Bank Tiara in 2000	35,557,200,000
• Shares issued in connection with the Bank's merger with 7 Taken-Over Banks (BTOs)* in 2000	192,480,000,000
	488,452,200,000
• Increase in par value per share to Rp 100 par value per share through reduction in total number of shares (reverse stock split) in 2001	: 20
• Increase in par value per share to Rp 500 par value per share of shares through reduction in total number (reverse stock split) in 2003	: 5
	4,884,522,000
• Shares issued in connection with Employee Stock Option Program	38,835,000
• Total B series shares at 31 December 2006	**4,923,357,000**
Total A series + B Series	**4,945,757,000**

* 7 BTO consists of PT Bank Duta Tbk, PT Bank Rama Tbk, PT Bank Tamara Tbk, PT Bank Nusa Nasional Tbk, PT Bank Pos Nusantara, PT Jayabank International and PT Bank Risjad Salim Internasional

The PT Bank Danamon Indonesia Tbk Ownership Structure

as at December 2006



Notes:

1. Temasek Holdings Pte Ltd is fully owned by the Government of Singapore
2. Deutsche Bank AG is owned by:
   a. Insurance & Mutual Funds Companies 18%
   b. Employed Persons & Pensioners 9%
   c. Other Institutional Investors and Companies 64%
   d. Other Private Persons 9%

Recognition

Marketing Magazine
The Best Call Center for Customer & Loyalty (CCSL) - 2nd place (Call Center Award 2006)

Global Finance
- Best Emerging Market Bank in Indonesia 2006
- Best Trade Finance Bank in Indonesia (World's Best Trade Finance Awards 2006)
- Best Bank in Indonesia (World's Best Bank Awards 2006)

Infobank & MarkPlus Research
Sharia Banking (Indonesian Bank Loyalty Award (IBLA) 2006)

Infobank & MRI
Service Excellence 2nd
Best Overall Performance (Banking Service Excellence Award 2006)

Investor Magazine
Best Bank (Investor Award 2006)

PT Financial Bisnis Informasi
The Nominee of the 2nd Best Public Bank (Peringkat Bank Public 2006)

Trade Finance Magazine
Best Trade Bank in Indonesia (Trade Finance Magazine Awards for Excellence 2006)

Infobank Magazine
Excellent Predicate in
- Total Asset Rp 10 trillion-Rp 50 trillion category - 1st place (Infobank Awards 2006 - Rating 131 Bank)
- Financial Performance 2001-2005 (Infobank Golden Trophy 2006)

Dunamis Organization Services Indonesia
Most Admired Knowledge Enterprises (Indonesia MAKE Awards 2006)

Ministry of State-Owned Enterprise, Bank of Indonesia, Bapepam, Dirjen Pajak, JSX, IAI, KNKO
2nd place Private Listed Company, Finance category (Annual Report Award 2005)

Asiamoney
- Best Local Cash Management Bank - 2nd place (Asiamoney Cash Management Polls 2006)
- Best Foreign FX Providers as voted by Corporate - 3rd place (Asiamoney FX Polls 2006)

SWA Magazine, LM FEUI, HR Indonesia
HR Management category - 5th place (HR Excellence Award 2006)

SWA Magazine, MarkPlus, Maksi UI
The Best Public Bank Based on EVA Concept (The Value Creator Award 2006)

Department of Culture and Tourism Republic of Indonesia
The Best Commercial Ad (Culture Award 2006)

Products and Services

Loan

Housing Loan
Multipurpose Loan
Small Business Loan
Cash Collateral Credit
Credit Card
Export Facility
Import Facility
Investment Loan
Prime Cooperatives Loan
Working Capital Loans
Syndicated Loan

Deposit

Debit Card
Current Account
Savings Account
Time Deposit

Bancassurance

Education Fund

Insurance

Car Insurance
House Insurance

Services

ATM
Rupiah Traveler's cheque
Collections
Domestic Remittance
Overseas Remittance
Priority Banking
Mobile Banking
Payment Services
Phone Banking
Private Banking
Bank Reference
Safe Deposit Box
SMS Banking
Traveler's Cheque
Foreign Bank Notes
Advisory
Paying Agents
Collection
Commercial Paper
Export
Escrow Agent
Facility Agent
Bank Guarantees
Import
Cash Management
Investment Services
Custodian Services
Payment Center
Repo & Reverse Repo
Security Agent
Bank Settlements
Sinking Fund
Domestic LC
Trustee

Treasury

Forex
Fixed Income
Money Market

Notes

Notes

www.danamon.co.id

PT Bank Danamon Indonesia Tbk.

Menara Bank Danamon
Jl. Prof. Dr. Satrio Kav. E IV No.6
Jakarta 12950, Indonesia

Tel: + 62-21 5799 1001 - 03
Fax: + 62-21 5799 1160 - 61